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CALIFORNIA ECONOMIC INDICATORS

November 1983

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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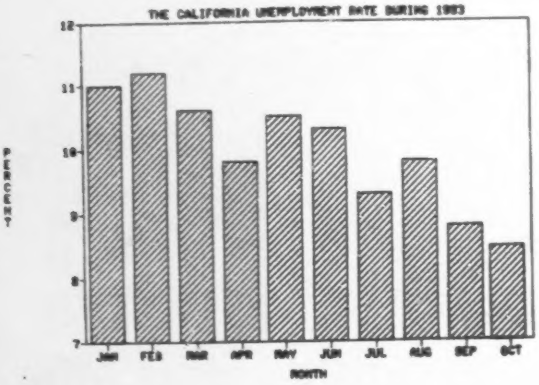
REVIEW OF ECONOMIC DEVELOPMENTS

The California economy improved moderately during recent months as employment rose, the unemployment rate dropped, inflation remained low, and consumer spending increased.

The month-to-month increase in nonagricultural employment was 0.8 percent in September and 0.3 percent in October. However, of the 81,400 additional jobs counted in September, 66,000 represented the return to work of striking communications workers. Most of the remaining growth occurred in construction, trade, and government.

This State has not experienced the rebound in nonagricultural employment which normally occurs following a recession. While hiring has increased, employers seem to be very cautious. Since the beginning of this year, most employment sectors have grown for a few months--declined for a month or two--and then resumed their growth trend. During October, for example, employment in four major sectors declined from the September level. Included were mining, nondurable goods manufacturing, finance, and federal government employment.

Civilian labor force and employment changes have also occurred in an unsteady pattern during this year. Fortunately, the overall trend has been toward improvement. In September the California unemployment rate dropped by a full percentage point from the previous month. The October rate dropped by an additional 0.4 percent. These recent rate improvements occurred despite declines in civilian employment in three of the past four months, and labor force declines in two of the past four months.



Consumer prices have continued to rise at a remarkably slow pace. In October the San Francisco CPI was up only 1.1 percent compared to October 1982.

The Los Angeles index rose just 2.6 percent in October on a year-over-year basis. Given the low and stable rates of price increase in California to date, it is expected that the annual rate of change will be the lowest in about twenty years. The following indicates the rapid improvement in the California CPI over the past few years:

Year	Percentage Increase
1978	8.1
1979	10.8
1980	15.5
1981	10.9
1982	6.5
1983 estimate	1.8

Housing unit authorizations improved in August, only to decline in September back to the July pace of slightly below 160,000 units. Despite the fluctuation in recent months, California housing authorizations have hovered in the 155,000 to 175,000 unit range since spring (excluding June which was distorted by new energy requirements). Further improvement in residential construction is not likely to occur until interest rates decrease from present levels. Since only small and gradual interest rate declines are expected to occur within the next year, no major change from recent housing trends is expected.

Nonresidential construction has benefited from the economic recovery, despite relatively little change in interest rates. Improvements have occurred in all of the major categories, including commercial, industrial, other building, and additions and alterations. The value of total nonresidential authorizations was up 39.4 percent in August and 20.1 percent in September from year-earlier levels.

The California index of leading economic indicators declined in September after rising for eleven straight months. Five of the eight index components weakened, two improved, and one was unchanged. It should be emphasized, however, that the 0.8 percent decrease in the index does not necessarily indicate a pending economic downturn. Generally, three months of data are required to signal a major change in direction. The one month drop, following many months of good growth, likely indicates that the economy will experience a slowing in the rate of improvement.

CURRENT CALIFORNIA ECONOMIC DATA

	1983				1982		Percent Change Sept 1982-Sept 1983
	September	August	July	June	September	August	
Employment[a]							
Civilian employment (000)	11,312	11,128	11,147	11,173	11,073	10,951	2.2
Unemployment (000)	1,096	1,203	1,147	1,286	1,256	1,262	-12.7
Unemployment rate	8.8	9.8	9.3	10.3	10.2	10.3	--
Nonagricultural wage and salary employment[b] (000)	10,048.3	9,966.9	9,990.5	9981.8	9,874.7	9,865.7	1.8
Mining	47.8	47.5	47.5	47.8	48.5	48.6	-1.4
Construction	381.4	378.3	368.1	373.2	361.7	363.9	5.4
Manufacturing	1,926.1	1,931.8	1,935.3	1,940.8	1,934.3	1,938.5	-0.4
Aerospace[c]	648.7	648.8	647.7	642.0	642.4	646.0	1.0
Transportation and public utilities	540.6	467.7	536.4	538.6	537.8	540.2	0.5
Trade	2,343.7	2,339.0	2,336.6	2,330.5	2,285.1	2,284.2	2.6
Finance, insurance, and real estate	668.7	665.6	661.6	663.1	642.5	641.6	4.1
Services	2,401.9	2,404.2	2,395.3	2,378.8	2,308.4	2,307.1	4.1
Government	1,738.1	1,732.8	1,709.7	1,709.0	1,738.5	1,736.9	-0.0
Federal	325.2	319.9	319.0	319.5	322.0	322.5	1.0
State and local	1,412.9	1,412.9	1,390.7	1,389.5	1,416.5	1,414.4	-0.3
Hours and Earnings, Manufacturing							
Average weekly hours	40.3	40.2	39.7	40.0	39.0	39.3	3.3
Average weekly earnings	$386.88	$383.51	$379.14	$380.40	$366.21	$367.46	5.6
Average hourly earnings	$9.60	$9.54	$9.55	$9.51	$9.39	$9.35	2.2
Index of Leading Indicators	133.0	134.1	132.1	131.3	116.2	116.3	14.5
Trade							
Retail sales (millions)	n.a.	$12,300	$12,201	$12,192	$10,608	$10,651	n.a.
New auto registrations (number)	74,875[i]	101,204	95,945	94,089	63,762	63,618	17.4
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New incorporations (number)	4,700	5,084	4,841	4,900	4,410	4,468	6.6
Consumer Price Index, all items[d]							
California average (1967=100)	--	302.0	--	299.9	--	297.5	--
San Francisco (1967=100)	--	306.0	--	303.0	--	304.3	--
Los Angeles (1967=100)	296.4	295.2	294.5	293.6	288.2	289.1	2.8
San Diego (1967=100)	340.4	--	335.2	--	325.6	--	4.5
Production							
Petroleum (000 barrels daily)	n.a.	1,110.9	1,112.9	1,116.7	1,115.4	1,106.9	n.a.
Portland cement (000 short tons)	n.a.	781.3	715.4	790.1	578.7	632.7	n.a.
Raw steel (000 net tons)	132.0	130.5	133.9	129.0	84.6	103.8	56.0
Selected redwood mill production (mil. FBM)	82.8	78.8	79.3	89.1	90.5	91.8	-8.5
Construction							
Private residential housing units authorized, SAAR (000)	158.9	174.6	157.3	208.4	73.4	68.5	216.5
Nonresidential building authorized, valuation (millions)	$860.3	$908.8	$799.8	$981.0	$716.4	$652.0	20.1

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series. New basis since January 1983.

[i] Incomplete.

[r] Revised.

n.a. Not available

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ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

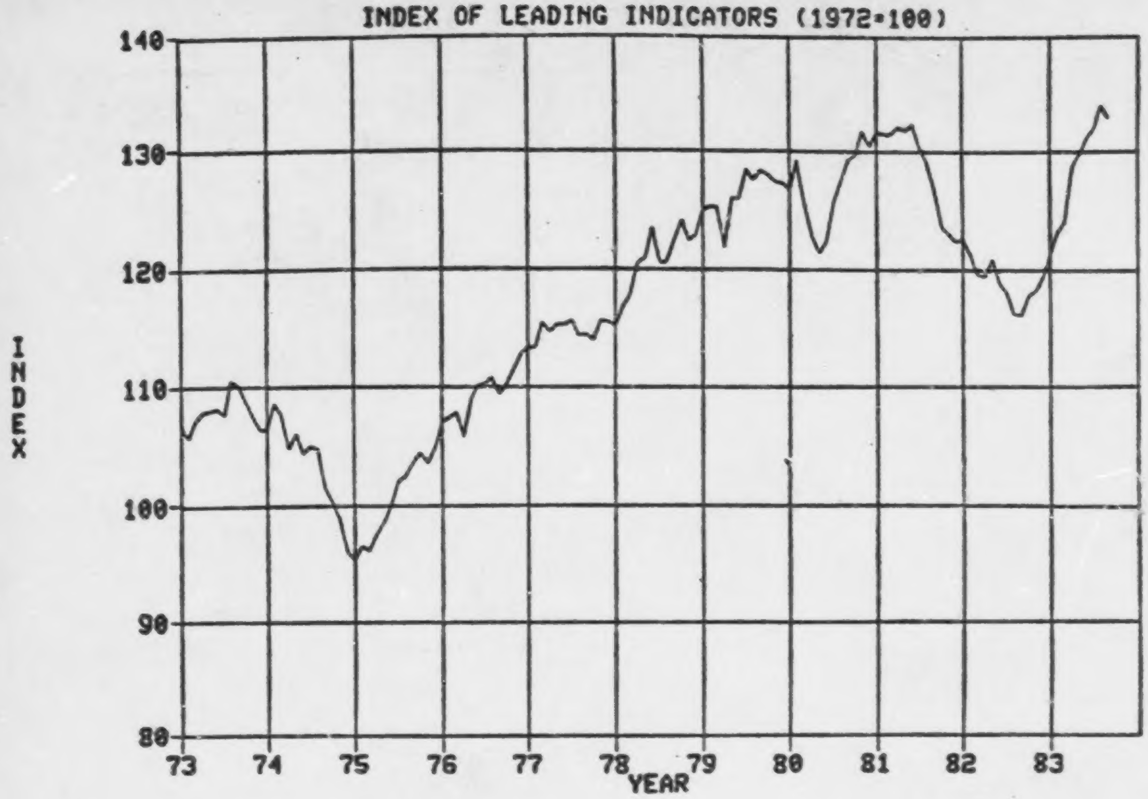
Taxable Sales

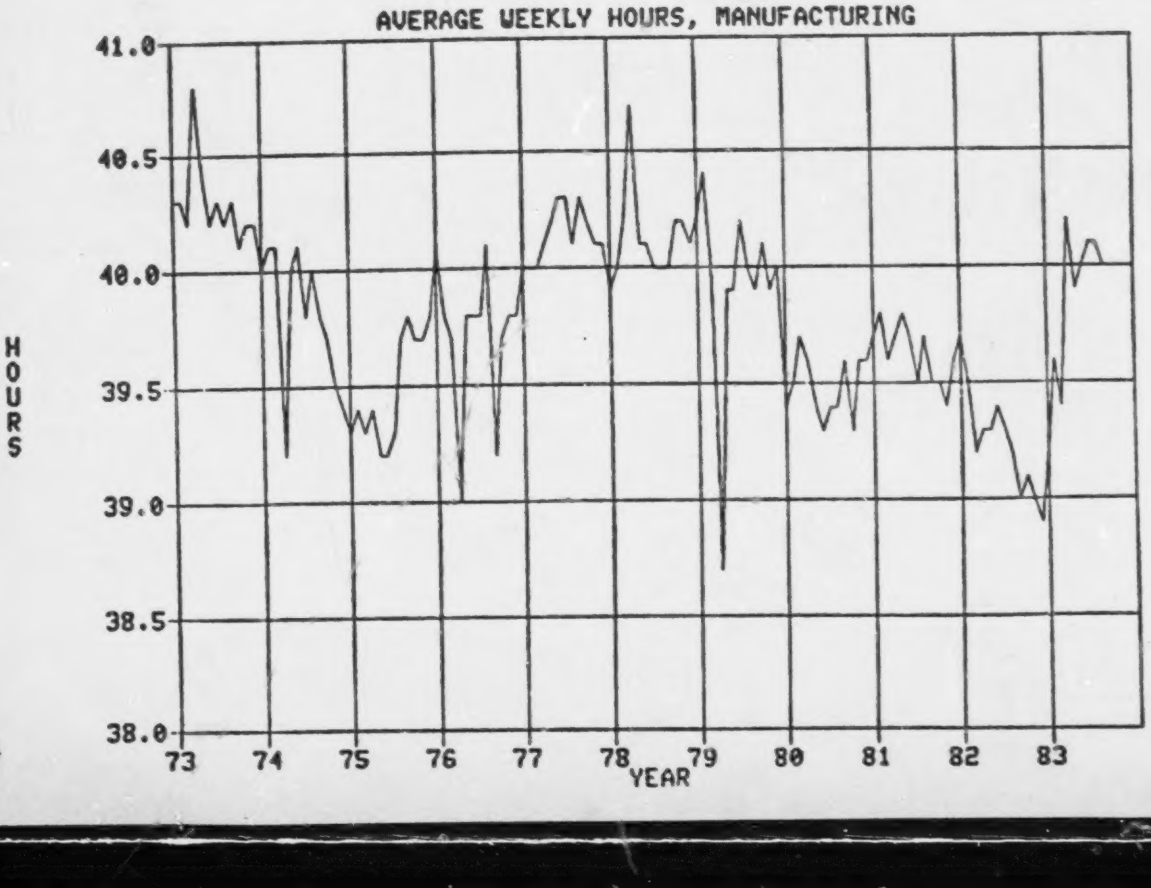
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

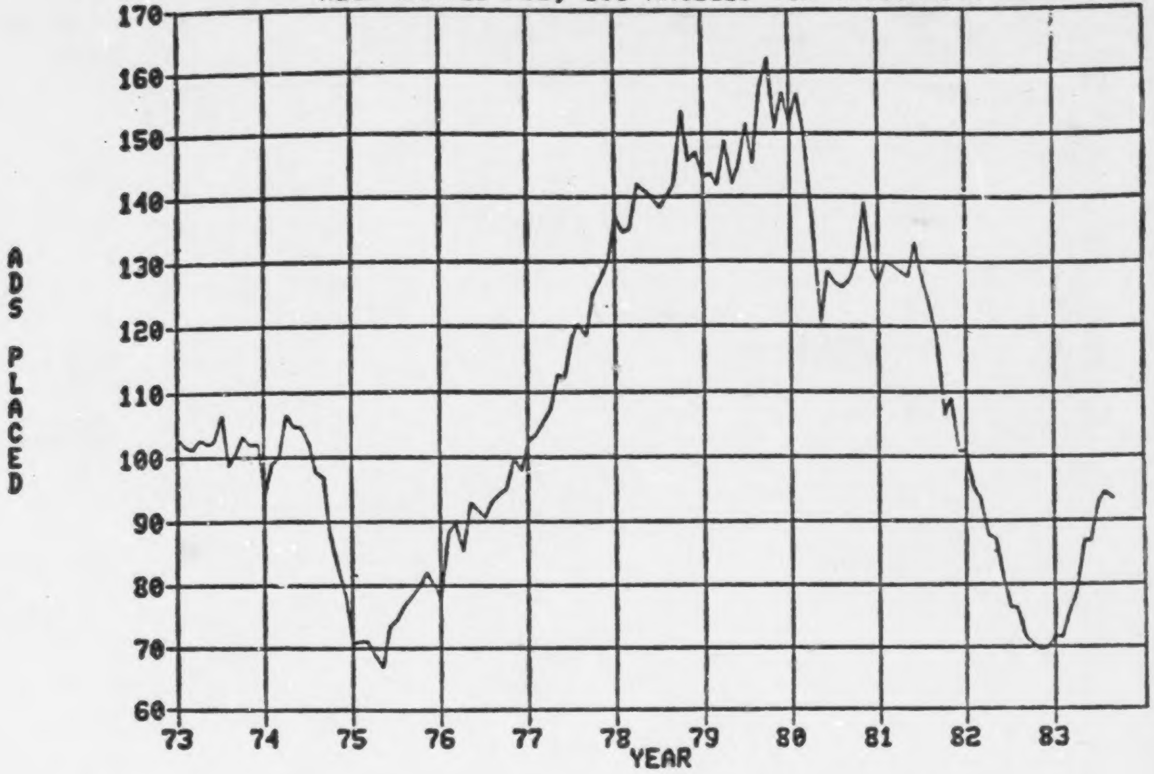
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

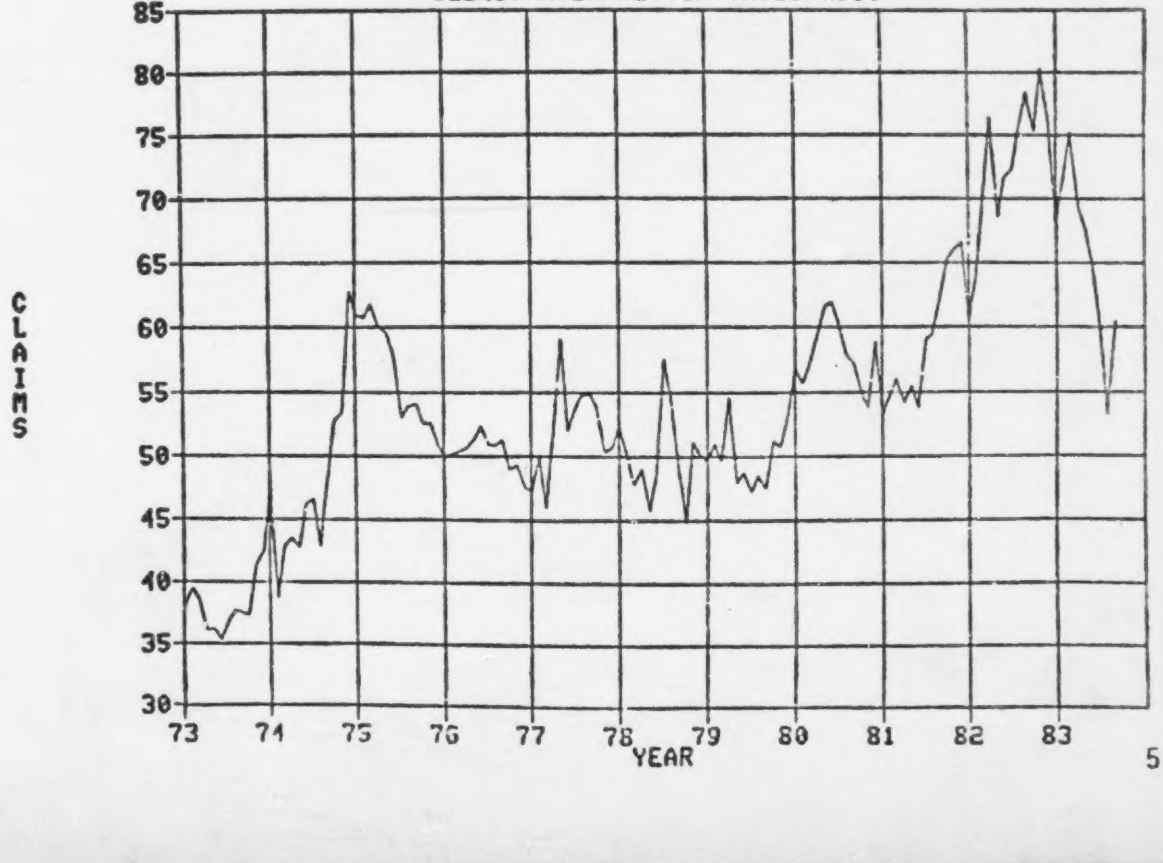

INDEX OF LEADING INDICATORS (1972=100)
INDEX
140
130
120
110
100
90
80
73
74
75
76
77
78
79
80
81
82
83
YEAR

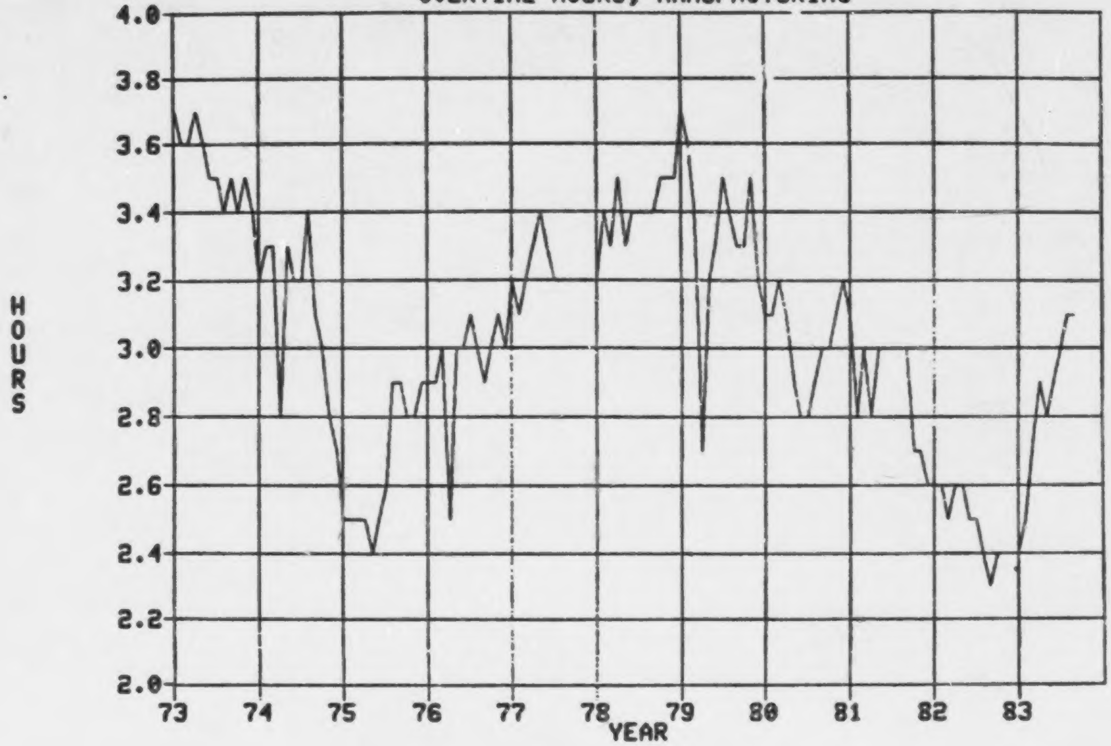

AVERAGE WEEKLY HOURS, MANUFACTURING
HOURS
41.0
40.5
40.0
39.5
39.0
38.5
38.0
73
74
75
76
77
78
79
80
81
82
83
YEAR

HELP WANTED ADS, LOS ANGELES (IN THOUSANDS)

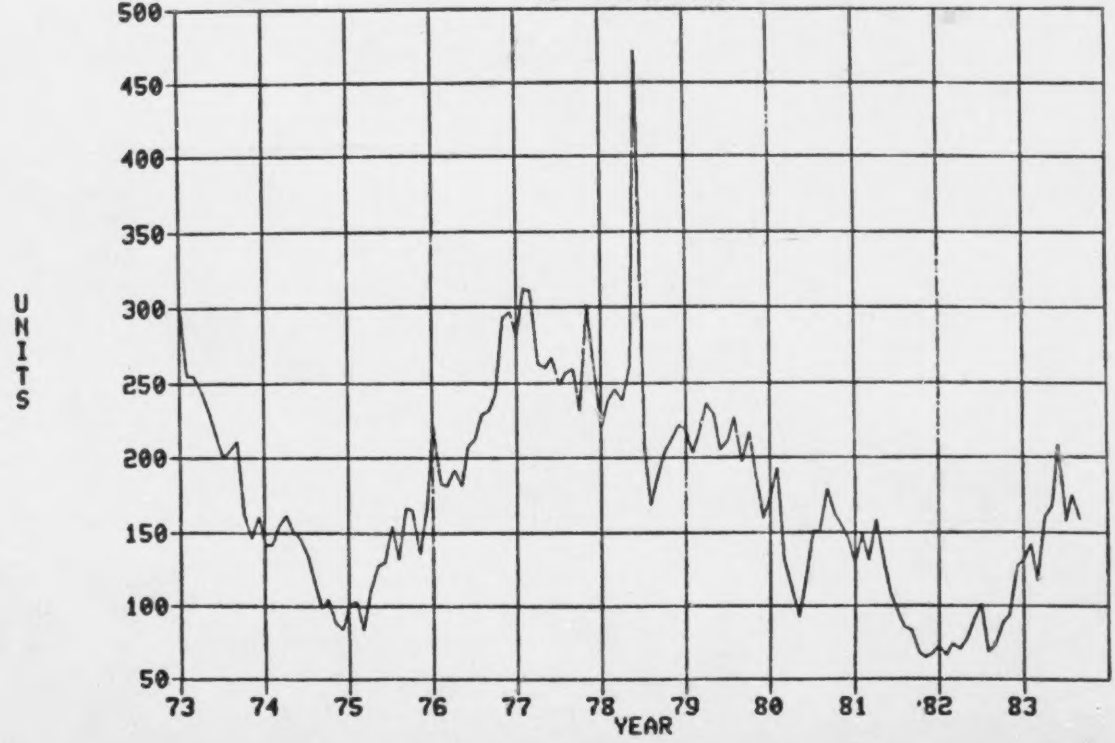


INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)

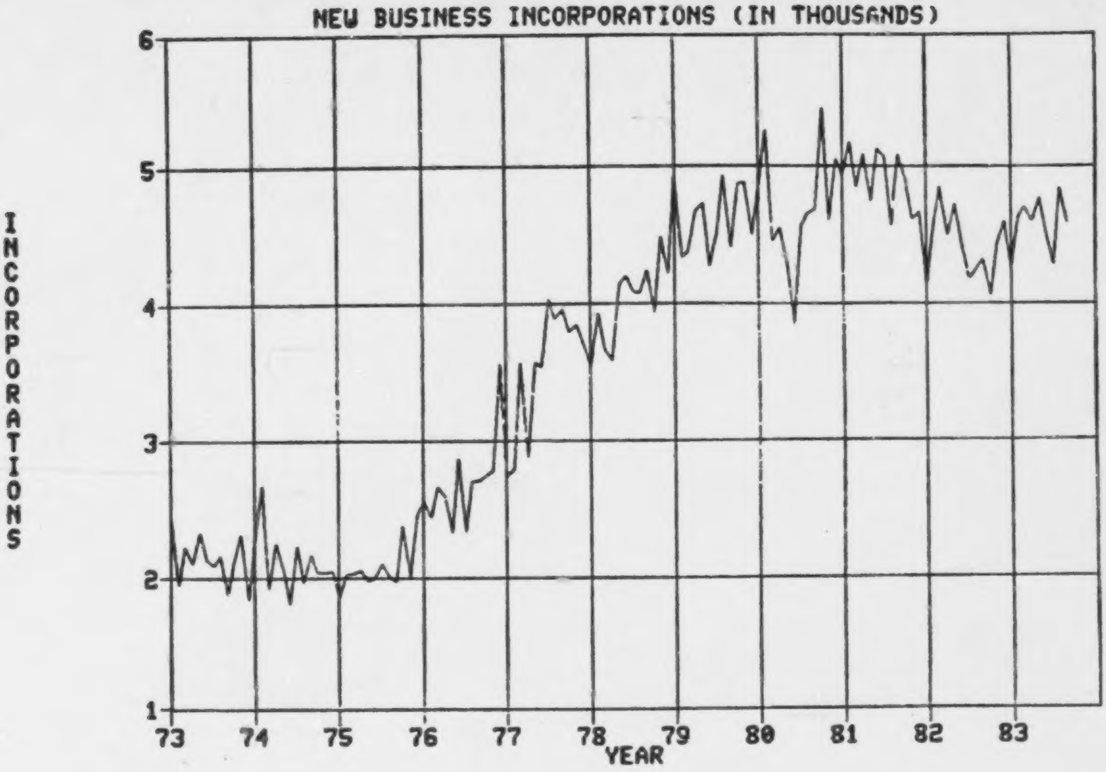


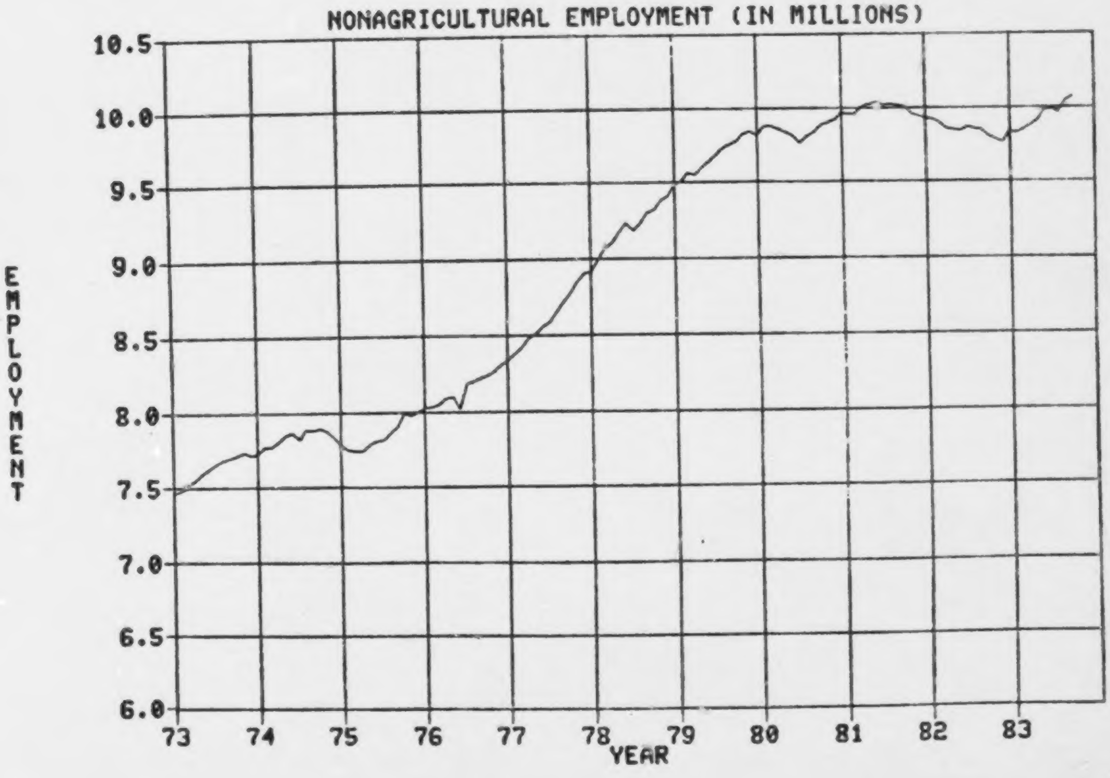


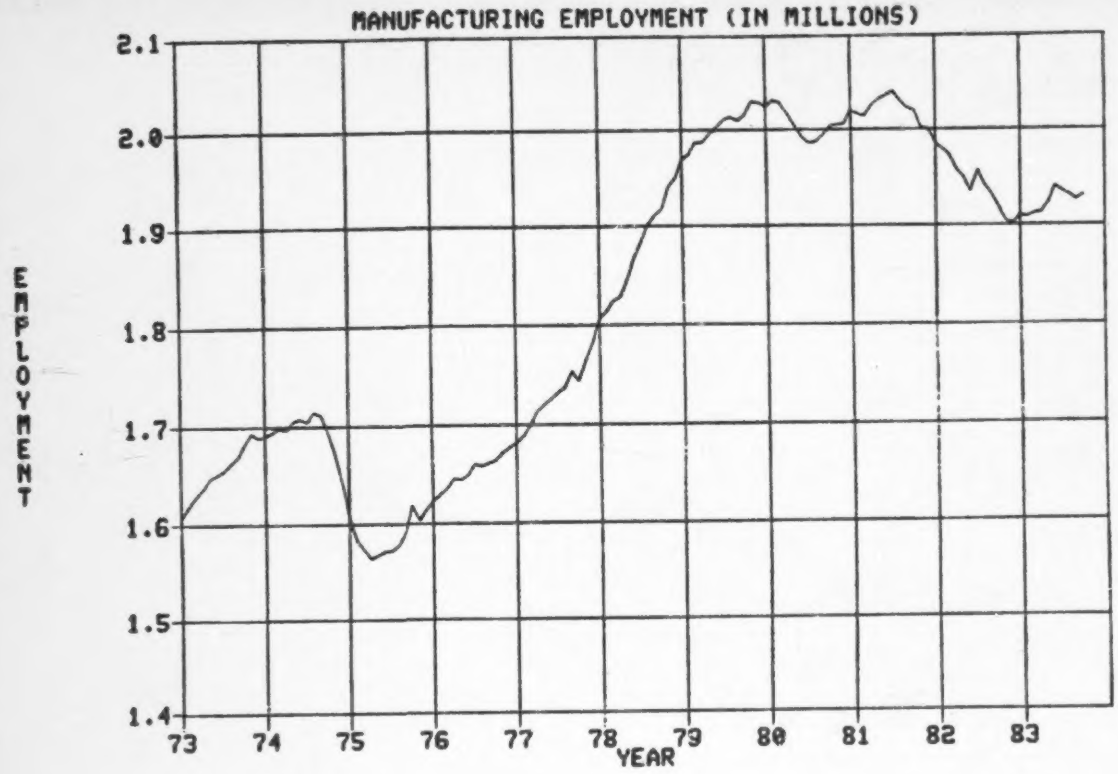
OVERTIME HOURS, MANUFACTURING

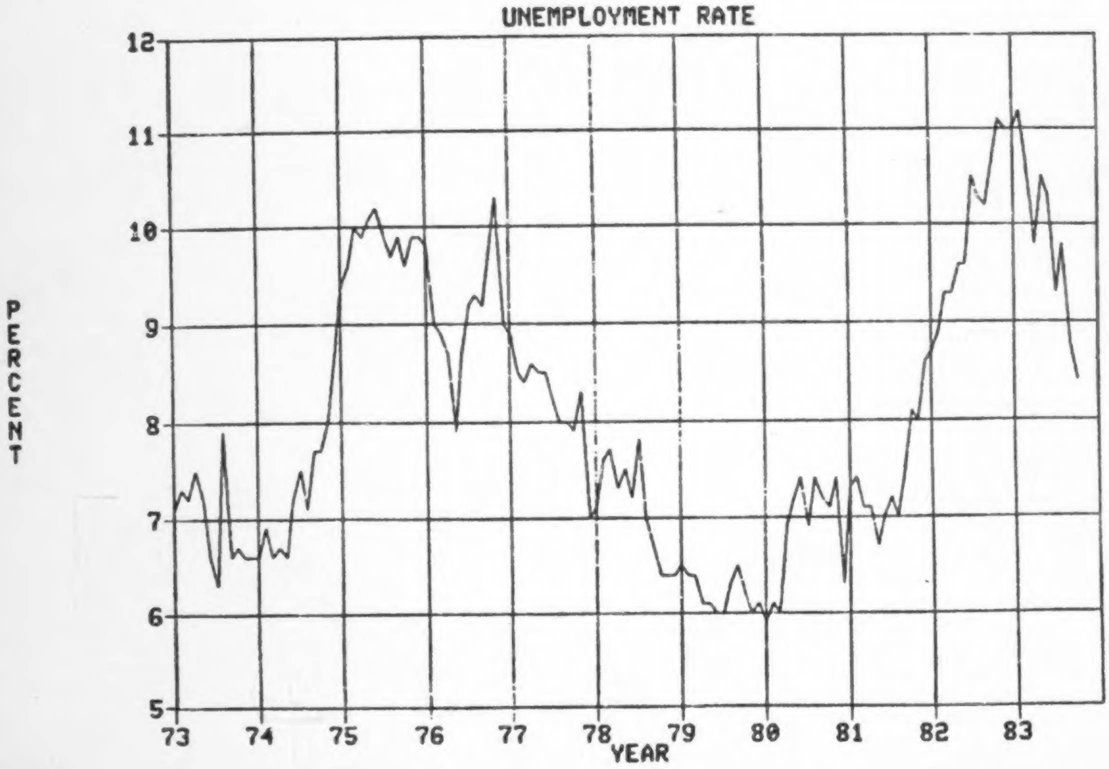


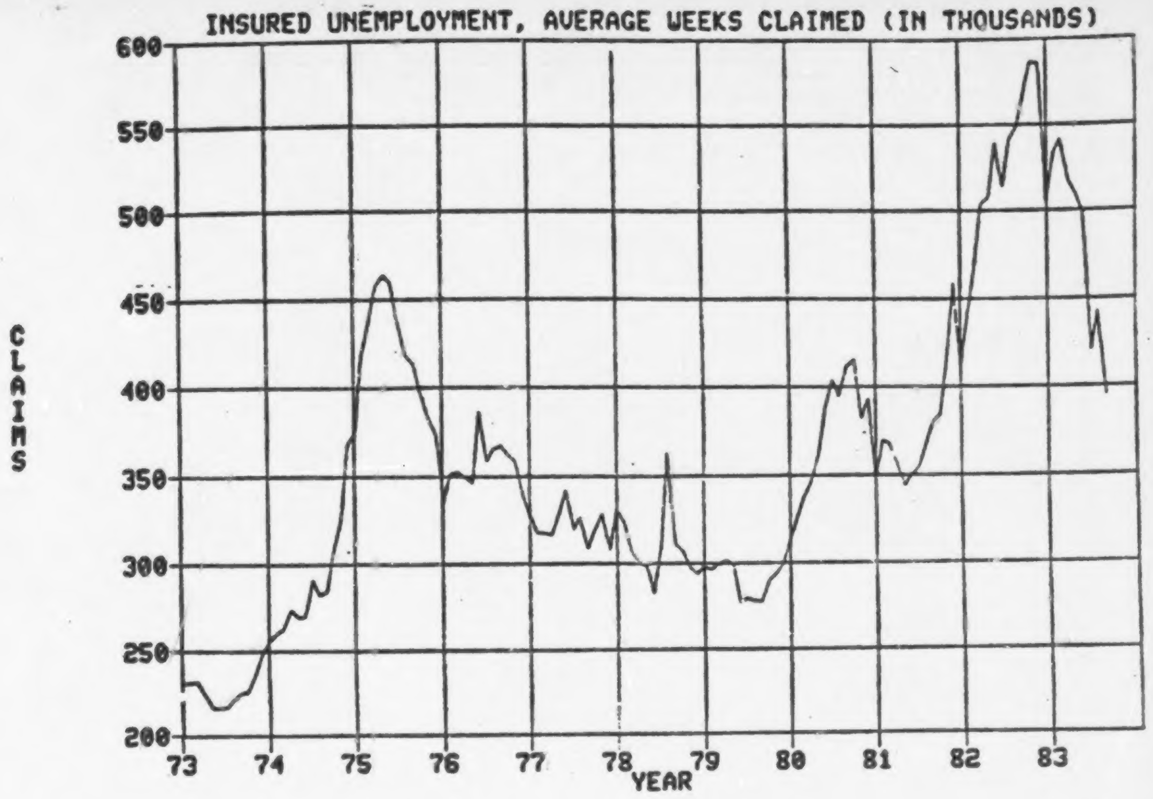
PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL BASIS
(IN THOUSANDS)

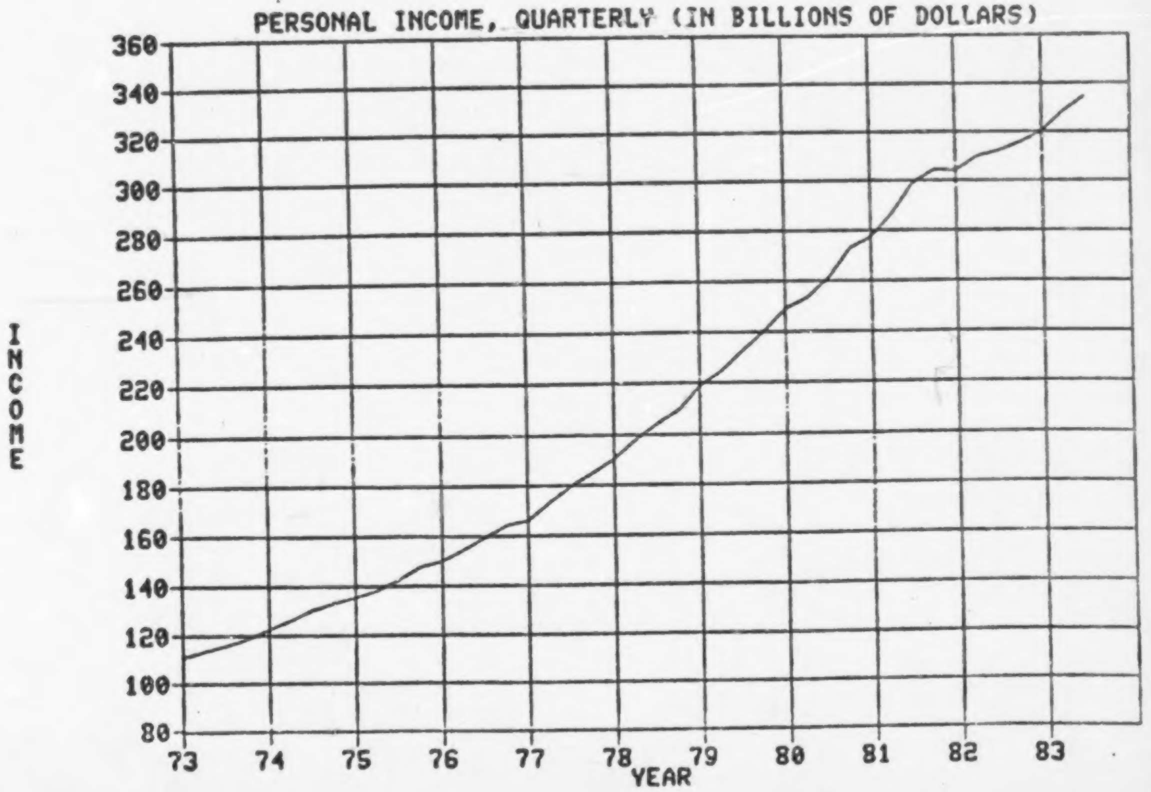

NEW BUSINESS INCORPORATIONS (IN THOUSANDS)


NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)

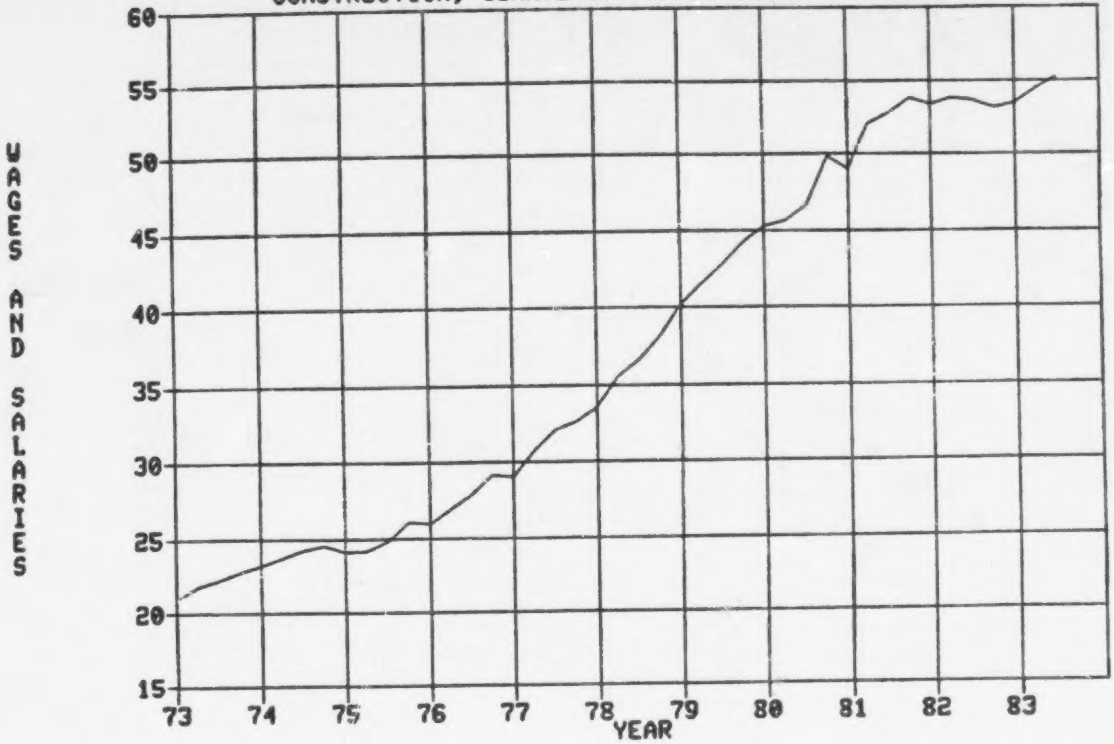

MANUFACTURING EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
73
74
75
76
77
78
79
80
81
82
83
YEAR


UNEMPLOYMENT RATE
PERCENT
12
11
10
9
8
7
6
5
73
74
75
76
77
78
79
80
81
82
83
YEAR

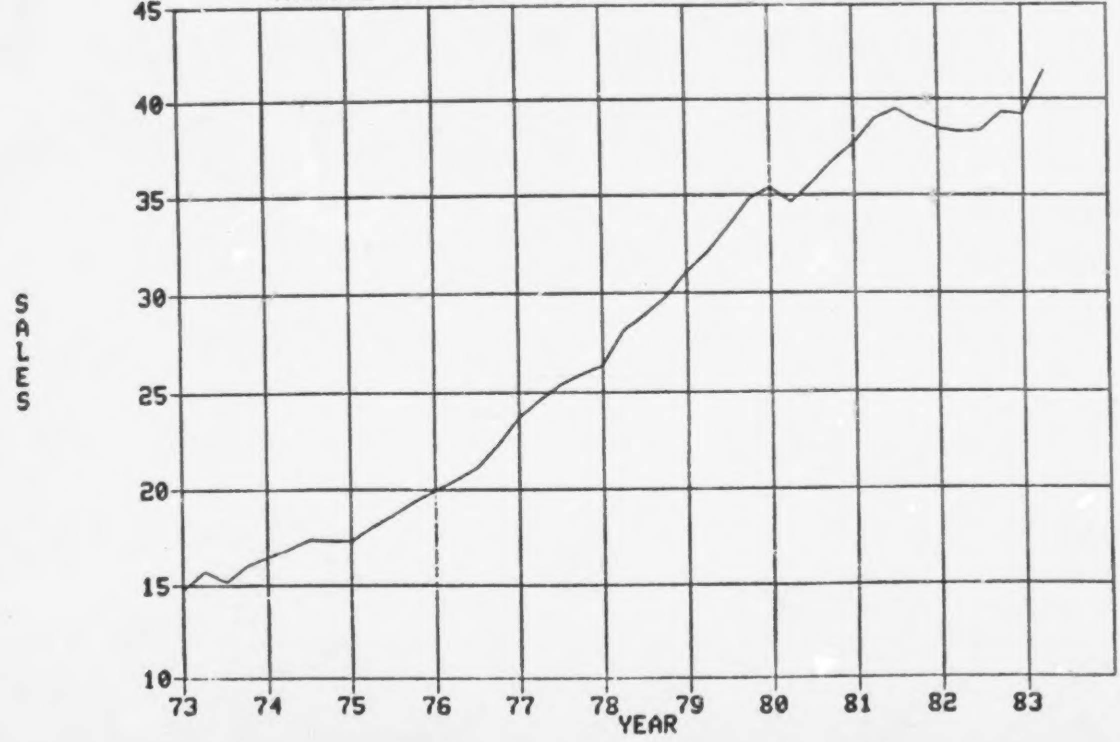

INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)
CLAIMS
600
550
500
450
400
350
300
250
200
73
74
75
76
77
78
79
80
81
82
83
YEAR

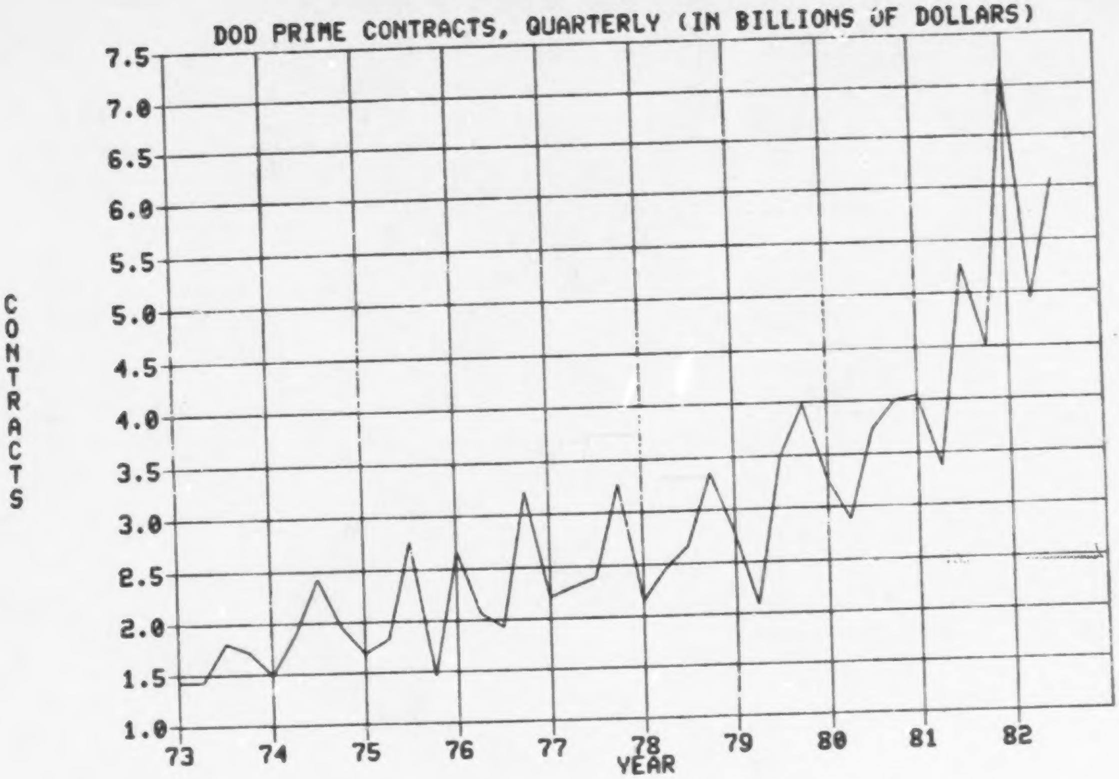

PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)
INCOME
360
340
320
300
280
260
240
220
200
180
160
140
120
100
80
73
74
75
76
77
78
79
80
81
82
83
YEAR

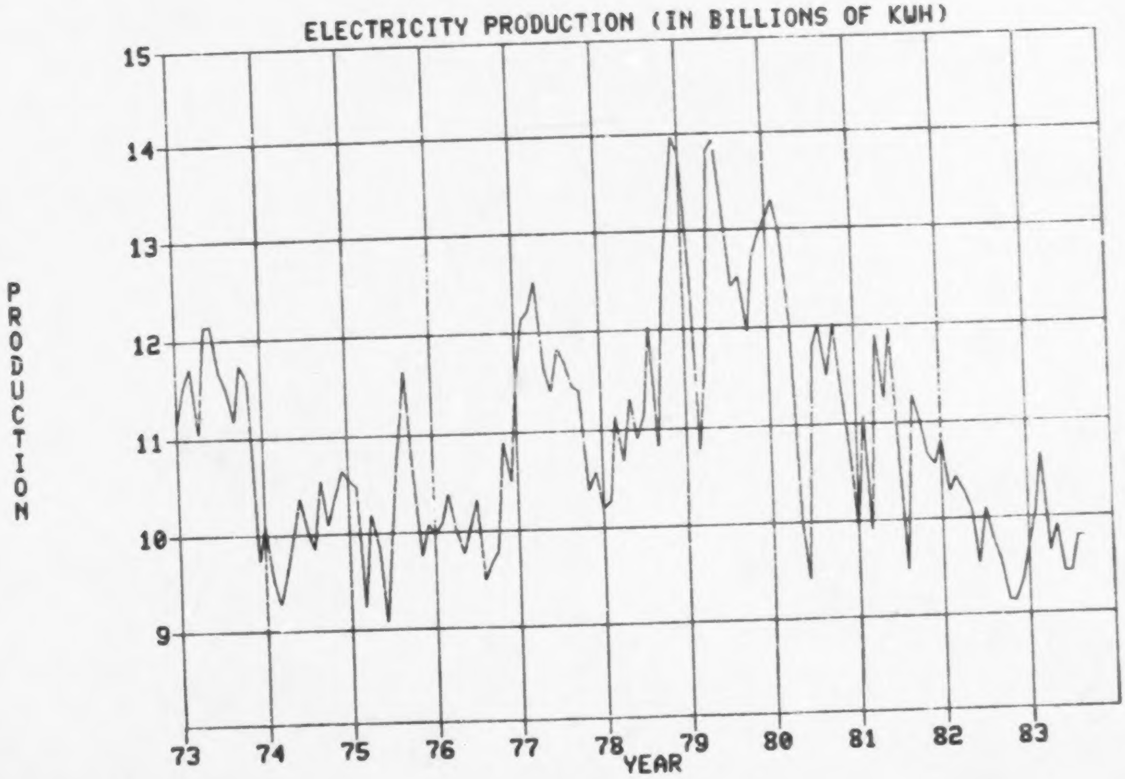
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



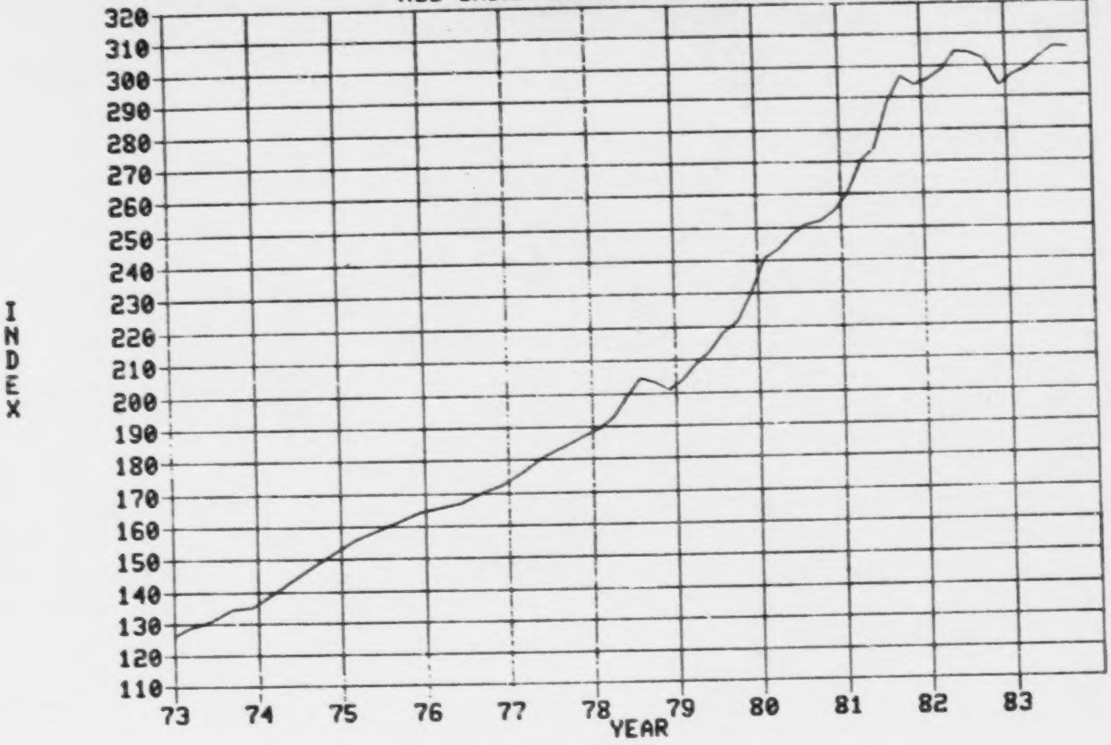
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



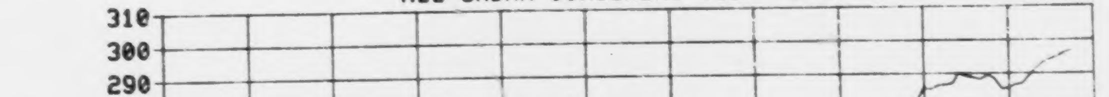

DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
CONTRACTS
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
73
74
75
76
77
78
79
80
81
82
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
PRODUCTION
15
14
13
12
11
10
9
73
74
75
76
77
78
79
80
81
82
83
YEAR

CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators						
	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads--Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1980							
January	126.4	39.4	151.8	56.8	3.1	172.5	4,842
February	129.1	39.5	156.7	55.6	3.1	193.2	5,268
March	126.1	39.7	150.0	57.1	3.2	131.8	4,456
April	123.3	39.6	135.7	59.3	3.1	112.3	4,553
May	121.1	39.4	120.7	61.6	2.9	92.4	4,279
June	122.4	39.3	128.7	62.0	2.8	117.6	3,851
July	125.8	39.4	126.9	60.2	2.8	150.7	4,568
August	127.7	39.4	126.1	58.0	2.9	150.6	4,659
September	139 6	39.6	127.4	57.3	3.0	179.2	4,686
October	130.5	39.3	130.7	54.9	3.0	162.6	5,438
November	132.4	39.6	139.4	53.8	3.1	155.4	4,609
December	131.1	39.6	128.9	58.9	3.2	145.5	5,063
1981							
January	131.3	39.7	126.9	53.2	3.1	128.8	4,932
February	131.3	39.8	130.2	54.7	2.8	148.2	5,182
March	131.3	39.6	129.5	56.1	3.0	130.9	4,853
April	132.0	39.7	128.6	54.2	2.8	158.5	5,090
May	131.5	39.8	127.8	55.5	3.0	131.0	4,745
June	131.9	39.7	133.0	53.7	3.0	109.5	5,132
July	129.9	39.5	127.6	59.1	3.0	96.2	5,076
August	129.0	39.7	123.8	59.5	3.0	86.3	4,569
September	126.5	39.5	118.4	62.4	3.0	83.6	5,092
October	123.2	39.5	106.4	65.4	2.7	68.1	4,913
November	122.8	39.4	109.0	66.1	2.7	64.5	4,611
December	122.1	39.6	100.6	66.7	2.6	67.7	4,660
1982							
January	122.5	39.7	101.0	60.4	2.6	72.4	4,116
February	121.2	39.5	95.1	64.2	2.6	66.0	4,577
March	119.6	39.2	93.5	69.8	2.5	74.3	4,847
April	119.4	39.3	87.8	76.4	2.6	70.3	4,494
May	120.8	39.3	87.1	68.6	2.6	78.1	4,723
June	118.9	39.4	81.2	71.7	2.5	90.9	4,446
July	118.0	39.3	76.3	72.3	2.5	101.0	4,176
August	116.3	39.2	76.3	75.5	2.4	68.5	4,240
September	116.2	39.0	71.5	78.5	2.3	73.4	4,321
October	117.9	39.1	70.3	75.3	2.4	88.7	4,059
November	118.2	39.0	69.4	80.3	2.4	93.4	4,431
December	119.5	38.9	69.8	76.0	2.4	127.5	4,596
1983							
January	121.3	39.2	71.7	68.1	2.4	130.9	4,257
February	123.2	39.6	71.4	71.6	2.5	141.7	4,630
March	124.0	39.4	75.4	75.3	2.7	116.9	4,704
April	128.7	40.2	78.7	69.6	2.9	160.1	4,595
May	129.9	39.9	86.9	67.6	2.8	167.1	4,767
June	131.3	40.0	86.8	64.7	2.9	208.4	4,516
July	132.1	40.1	92.7	59.6	3.0	157.3	4,284
August	134.1	40.1	94.4	53.3	3.1	174.6	4,842*
September	133.0	40.0	93.3	60.5	3.1	158.9	4,594

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.) r/	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.) r/	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
1980							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,246	6.1	325	249,467	35,423	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,639	7.2	362	253,922	34,703	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,673	7.4	395	261,523	35,714	1,987.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,839	7.4	382	273,398	36,835	2,006.4
December	9,925.1		6.3	393			2,007.0
1981							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	49,015	7.4	370	277,407	37,688	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	52,018	6.7	344	286,975	39,015	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,807	7.0	366	299,432	39,478	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	53,787	8.0	413	304,585	38,891	2,003.0
December	9,945.0		8.6	459			2,000.9
1982							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,399	8.9	442	304,259	38,488	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,831	9.6	508	310,142	38,301	1,948.7
June	9,843.8		9.6	539			1,936.0
July	9,872.6		10.5	514			1,947.3
August	9,865.7	53,669	10.3	542	312,281	38,391	1,938.5
September	9,874.7		10.2	549			1,934.3
October	9,852.4		10.7	571			1,925.0
November	9,834.6	53,121	11.1	587	316,133	39,324	1,922.1
December	9,809.2		11.0	586			1,909.3
1983							
January	9,837.7		11.0	505			1,910.1
February	9,828.6	53,455	11.2	533	320,112	39,192	1,909.0
March	9,847.9		10.6	542			1,913.0
April	9,883.8		9.8	518			1,914.3
May	9,914.7	54,488	10.5	509	328,836	41,520	1,924.2
June	9,981.8		10.3	499			1,940.8
July	9,990.5		9.3	421			1,935.3
August	9,966.9	55,282	9.8	443	335,214		1,931.8
September	10,048.3		8.8	395			1,926.1
October	10,075.4		8.4				1,931.8

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Other Indicators

		Consumer Price Index (1967=100)c/					
		San Francisco		Los Angeles			
Year and Month	DOD Prime Contracts (mil dol.)b/	Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban	Net New S&L Savingsc/,d/ (mil dol.)	Electricity Production (mil KWH)
1980							
January		--	--	235.0	232.6	234	13,103
February	3,462	240.0	240.7	240.0	237.6	106	13,296
March		--	--	243.9	241.3	-536	12,966
April		242.8	243.5	247.8	244.6	-517	12,032
May	3,397	--	--	252.6	249.1	225	10,019
June		247.7	248.0	253.4	250.1	-33	9,407
July		--	--	251.5	248.7	-25	11,788
August	3,602	251.4	251.0	250.1	247.3	210	12,002
September		--	--	251.6	249.6	-87	11,489
October		252.6	251.9	254.9	252.6	310	12,024
November	3,473	--	--	258.4	255.5	-160	11,345
December		255.7	254.9	262.2	258.7	379	10,684
1981							
January		--	--	262.7	259.4	-241	9,935
February	4,197	261.6	260.5	265.0	261.6	-2	11,078
March		--	--	266.5	263.3	-753	9,904
April		270.9	270.3	269.1	265.5	-830	11,906
May	4,057	--	--	270.7	267.3	-44	11,254
June		274.3	274.0	271.7	267.9	-1,539	11,958
July		--	--	276.3	272.2	-1,020	10,635
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,487
September		--	--	282.9	279.3	-541	11,280
October		295.6	297.0	284.9	281.3	667	11,001
November	3,957	--	--	285.5	281.8	-385	10,676
December		292.7	294.0	286.1	282.3	-110	10,562
1982							
January		--	--	289.8	285.6	366	10,806
February	7,338	249.9	295.8	289.4	285.6	333	10,284
March		--	--	290.4	286.6	-181	10,428
April		297.8	298.8	290.5	286.8	-1,085	10,285
May	6,015	--	--	290.6	287.1	-47	10,089
June		303.4	304.6	293.9	290.1	-1,140	9,534
July		--	--	293.0	289.3	-143	10,099
August	5,694	302.8	304.3	292.8	289.1	-412	9,796
September		--	--	291.7	288.2	78	9,560
October		301.3	302.4	292.8	289.5	-615	9,144
November		--	--	291.6	288.5	779	9,129
December		293.6	293.9	288.0	285.3	3,749	9,349
1983							
January		--	--	288.0	285.6	5,805	9,693
February		293.9	297.3	290.1	286.8	2,757	10,054
March		--	--	289.6	287.1	1,992	10,657
April		294.7	299.3	290.2	289.5	2,301	9,646
May		--	--	292.1	292.0	2,381	9,918
June		298.6	303.0	292.1	293.6	1,043	9,429
July		--	--	293.2	294.5	2,066	9,797
August		301.6	306.0	293.7	295.2	3,207	9,795
September		--	--	296.7	296.4	3,454	
October		301.4	305.7	299.0	297.0		

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a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
d/New to the Economic Indicators. Demand deposits and commercial and industrial loan data will no longer be included.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.* Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: .4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent.
	Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

	1980--Continued
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

	1981
January 1	Minimum wage raised from \$3.10 to \$3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

1981--(Continued)

June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

1981--(Continued)

December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	FHA mortgage rate lowered from 13 percent to 12.5 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial Trough	Peak	Terminal Trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

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CALIFORNIA ECONOMIC INDICATORS

January 1984

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1972 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

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REVIEW OF ECONOMIC DEVELOPMENTS

The California economy grew and strengthened during the past few months, as the unemployment rate fell sharply, production and trade activity stayed vigorous, and consumer price gains remained modest.

Some of the best news came from the civilian employment data. The California unemployment rate continued to decline, and at a pace which has surprised most observers. The 7.9 percent rate in December 1983 was the lowest level since September 1981. Between the beginning and end of 1983, the number of persons without work fell by 376,000. The improvement in the California situation over the past year surpassed that which occurred nationally. The California unemployment rate was higher than the U.S. rate at the beginning of last year, yet lower by year-end.

In contrast to the steady improvement in civilian employment, nonagricultural wage and salary employment showed relatively little change between October 1983 and December 1983. Some of the difference may be due to more self-employed persons, who are not included in the payroll series. Also a factor is that payroll employment is slow in identifying new companies during a recovery, and in measuring growth in existing small businesses.

The job gains which did occur were concentrated in manufacturing, finance and services. State and local government and construction employment actually fell. Since there are no signs of an overall weakening in the State economy, the recent nonagricultural employment trend appears to be merely a pause in the rapid growth which occurred during the past year. (See table at bottom.)

Housing construction remained healthy throughout 1983, with activity at a 159,000 unit rate during the first eleven months. The 1982 pace, in contrast, was only 84,000 units. The 166,000 unit rate during October and November of last year was typical of the housing trend since April. Nonresidential construction also posted strong gains compared to 1982. The degree of rebound was less than for the residential sector, however, primarily because the nonresidential downturn was not as severe.

A slow rate of inflation continued through the remaining months of 1983. As a result, the California CPI for the past year was up by only an estimated 1.6 percent. The gain was the lowest since 1963. The U.S. CPI rose 3.2 percent. Medical care, household fuel and utilities, and residential rent were among the fastest increasing index components -- both in California and the Nation. During recent months, however, the growth in medical care costs has slowed significantly.

The California index of leading economic indicators, a predictor of economic conditions about three months into the future, rose 1.1 percent in October and an additional 1.5 percent in November. While only three components improved in November -- housing authorizations, new business incorporations, and help wanted ads -- the strength of those components was enough to raise the overall index. Since its September 1982 trough, the index has increased by 16.2 percent.

The following special section summarizes the economic outlook for the State and the Nation during 1984 and 1985. The forecasts were prepared for the 1984-85 Governor's Budget.

NONAGRICULTURAL EMPLOYMENT CHANGE
BY MAJOR ECONOMIC SECTOR

Sector	Change from 1982 to 1983*		Change from December 1982 to December 1983	
	Jobs	Percent	Jobs	Percent
TOTAL	112,000	1.1	334,400	3.4
Mining	-1,800	-3.6	1,000	2.1
Construction	-5,700	-1.5	9,400	2.6
Manufacturing	-12,900	-0.7	69,000	3.6
TCU	-8,500	-1.6	11,100	2.1
Trade	46,600	2.0	97,200	4.3
Finance	15,800	2.4	25,300	3.9
Services	89,100	3.9	120,400	5.3
Federal Government	-800	-0.2	1,600	0.5
State/Local Government	-9,800	-0.7	-600	-0.0

* Preliminary data for 1983

CURRENT CALIFORNIA ECONOMIC DATA

	1983				1982		Percen Chang Nov. 198 Nov. 1983
	November	October	September	August	November	October	
Employment[a]							
Civilian employment (000)	11,384	11,265	11,312	11,128	10,925	10,998	4.2
Unemployment (000)	1,027	1,033	1,096	1,203	1,361	1,318	-24.5
Unemployment rate	8.3	8.4	8.8	9.8	11.1	10.7	--
Nonagricultural wage and salary employment[b] (000)	10,104.9	10,096.2	10,048.3	9,966.9	9,787.8	9,810.6	3.2
Mining	47.9	47.7	47.8	47.5	47.2	47.2	1.5
Construction	384.1	385.9	381.4	378.3	358.0	361.1	7.3
Manufacturing	1,964.2	1,945.2	1,926.1	1,931.8	1,904.6	1,916.9	3.1
Aerospace[c]	654.7	650.6	648.7	648.8	641.6	640.6	2.0
Transportation and public utilities	547.9	545.2	540.6	467.7	534.1	536.2	2.6
Trade	2,356.8	2,358.5	2,343.7	2,339.0	2,274.1	2,274.7	3.6
Finance, insurance, and real estate	668.3	666.5	668.7	665.6	646.1	646.8	3.4
Services	2,406.3	2,403.9	2,401.9	2,404.2	2,295.0	2,285.7	4.8
Government	1,729.4	1,743.3	1,738.1	1,732.8	1,728.7	1,742.0	0.0
Federal	327.7	326.3	325.2	319.9	326.3	324.0	0.4
State and local	1,401.7	1,417.0	1,412.9	1,412.9	1,402.4	1,418.0	-0.0
Hours and Earnings, Manufacturing							
Average weekly hours	40.6	40.3	40.3	40.2	39.3	39.1	3.3
Average weekly earnings	$389.35	$386.07	$386.88	$383.51	$367.46	$366.76	6.0
Average hourly earnings	$9.59	$9.58	$9.60	$9.54	$9.35	$9.38	2.6
Index of Leading Indicators	135.0	134.4	133.0	134.1	118.2	117.9	14.2
Trade							
Retail sales (millions)	n.a.	$12,086	$11,838	$12,296	$10,969	$10,734	n.a.
New auto registrations (number)	94,493[i]	84,866	75,913	101,204	70,028	67,562	34.9
New Incorporations (number)	4,430	4,856	4,700	5,084	4,075	4,472	8.7
Consumer Price Index, all items[d]							
California average (1967=100)	--	303.6	--	302.0	--	296.4	--
San Francisco (1967=100)	--	305.7	--	306.0	--	302.4	--
Los Angeles (1967=100)	296.5	297.0	296.4	295.2	288.5	289.5	2.8
San Diego (1967=100)	342.3	--	340.4	--	321.7	--	6.4
Production							
Petroleum (000 barrels daily)	n.a.	1,115.8	1,118.4	1,110.9	1,107.0	1,115.6	n.a.
Portland cement (000 short tons)	639.0	777.7	762.1	781.3	453.9	571.8	40.8
Raw steel (000 net tons)	30.5	109.8	132.0	130.5	26.3	68.9	16.0
Selected redwood mill production (mil. FBM)	83.3	96.9	82.8	78.8	52.7	78.3	58.1
Construction							
Private residential housing units authorized, SAAR (000)	186.3	145.8	158.9	174.6	93.4	88.7	99.5
Nonresidential building authorized, valuation (millions)	$754.2	$952.6	$860.3	$908.8	$541.4	$681.5	39.3

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series. New basis since January 1983.

[i] Incomplete, subject to late processing.

[r] Revised.

n.a. Not available

FR:282901

THE ECONOMIC OUTLOOK FOR 1984 AND 1985

THE NATIONAL OUTLOOK

The past year was characterized by a strong recovery which moved the economy off the erratic- and quite lackluster--course it has followed since 1979.

During the past year:

- Spending on consumer durables increased sharply.
- Housing investment rose dramatically in response to declining interest rates.
- Investment in plant and equipment started to improve mid-year.
- The inventory decline which began in the first quarter of 1982 was finally reversed as business responded to the sharp upturn in sales.
- The previous high in economic activity, recorded during the July-September 1981 period, was surpassed during the third quarter last year.

Overall, the output of goods and services in the Nation increased by 3.3 percent in real terms during 1983. The recovery path turned out to be very typical.

Interest Rates: The Key to Growth

The 1984 outlook is dependent to a large extent on interest rates. There is considerable debate on this issue at the present time. The primary concerns relate to the size of the Federal deficit and Treasury borrowing needs, and to policies of the Federal Reserve System. Interest rates will rise substantially if there is a clash between private and public demands for funds. The role of the Federal Reserve is critical. Slow growth of the money supply could precipitate such a clash. A too-lenient policy, however, could well rekindle inflationary pressures, creating potentially severe problems for 1985.

The Budget forecast assumes that a conflict in the credit markets can be avoided. The basic factor leading to this conclusion is the improving liquidity situation for business. Sharply improved balance sheets, reflecting in large part the strong recovery in corporate profits, has permitted new investment to be financed internally in many cases, thereby easing pressures on the financial markets even as the Treasury has undertaken massive borrowings.

Rising Confidence Will Support the 1984 Expansion

Consumer confidence has already improved dramatically, as evidenced by the surge in retail sales in 1983. A further strengthening should arise from the favorable developments to date:

- The rise in personal income has gained momentum over the past year, with a strong year-end performance in wages and salaries.
- Excluding the impact of the communications workers strike, job levels have been expanding steadily.
- The unemployment rate, which peaked at 10.8 percent in December 1982, was down to an 8.2 percent rate by December 1983.
- Inflation has continued moderate. The consumer price index was up only 3.8 percent between December 1982 and December 1983.

Assuming no external shocks which would throw the recovery off its track, 1984 should be a year of good economic gains.

Beyond 1984

The outlook beyond 1984 is far less certain. The forecast of the Department of Finance calls for further growth, but at a more normal pace.

CALIFORNIA

During the past year the California economy made major advances following the 1981-82 recession.

- In January the job situation turned around. Nonagricultural employment was up by 0.8 percent after declining in 15 of the 18 previous months.
- By December 1983 employment was up by 334,000 jobs from the December 1982 trough.
- The unemployment rate during the year fell from an all-time high of 11.2 percent in February to 7.9 percent at year-end.
- The number of unemployed persons decreased by about 375,000 from the beginning to the end of 1983.
- Housing construction doubled compared to 1982.

The 1984 Outlook

Economic expansion is expected to continue through 1984. Moderate increases in the labor force and civilian employment will bring the unemployment rate below 8 percent by mid-year.

Nonagricultural employment will be up by over 375,000 jobs, or 3.8 percent, between the fourth quarter 1983 and fourth quarter 1984. The strongest gains will be in durable goods manufacturing, retail trade, construction and services. Government and mining are expected to show little if any rise.

FR:2256J1

Employment gains and an average wage increase of about 5-1/2 percent will lead to a significant gain in wage and salary income. Proprietors' and property income are expected to rebound strongly reflecting improved business conditions. Total personal income is expected to reach $364.4 billion in 1984, up 9.7 percent or $32 billion from 1983.

While 1984 housing unit authorizations will be below historic levels, the 170,000 units forecast would be the highest total since 1979.

The Next Year

Growth in 1985 is likely to slow moderately. Total nonagricultural employment is expected to rise by 2.6 percent, with the employment increase in most sector at about 3.0 percent. The lower rate of growth in the total results from virtually no change in the government sector.

The outlook for inflation remains good. The California Consumer Price Index increased an estimated 1.6 percent in 1983. As recovery continues, inflation should remain moderate in both 1984 and 1985. Home fuel, transportation and rent costs are expected to continue to exert upwards pressure on the price index, although the increases will generally be less than those of the late 1970's.

SELECTED ECONOMIC DATA, 1983-85: STANDARD FORECAST

UNITED STATES (Dollar amount in billions)	1984		1985	
	Amount	Percent Change	Amount	Percent Change
Real gross national product (1972 $)	$1,623.2	5.6	$1,674.9	3.2
Personal consumption expenditures	1,054.9	4.3	1,086.2	3.0
Durables	170.5	9.5	178.7	4.8
Gross private domestic investment	253.4	16.7	267.2	5.5
Net exports	7.8	--	6.0	--
Government purchases of goods and services	307.1	3.8	315.5	2.7
GNP deflator (1972=100)	224.7	4.3	237.3	5.6
GNP (current $)	$3,647.5	10.2	$3,974.5	9.0
Personal income	$2,993.1	9.2	$3,242.6	8.3
Corporate profits before taxes	$257.4	27.3	$299.7	16.4
Wage and salary employment (thous.)	93,540	3.9	95,691	2.3
Unemployment rate (%)	8.1	--	7.7	--
Housing starts (thous.)	1,730	1.1	1,632	-5.6
New car sales (mill.)	10.4	14.5	10.8	3.4
Consumer price index (1967 = 100)	314.7	5.4	332.6	5.7
CALIFORNIA				
Civilian labor force (thous.)	12,582	2.2	12,670	2.3
Civilian employment	11,591	4.3	11,897	2.6
Unemployment	991	-16.9	973	-1.8
Unemployment rate (%)	7.9	--	7.6	--
Wage and salary employment (thous.)	10,359	3.9	10,630	2.6
Personal income (bill.)	$364.4	9.7	$394.9	8.4
Housing units authorized (thous.)	170	4.9	155	-8.8
Corporate profits before taxes (bill.)	$28.5	20.8	$36.0	26.4
New auto registrations (thous.)	1,110	9.9	1,155	4.1
Total taxable sales (bill.)	190.7	12.9	207.8	9.0

Note: Percentage changes calculated from unrounded data

FR:2256J2

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

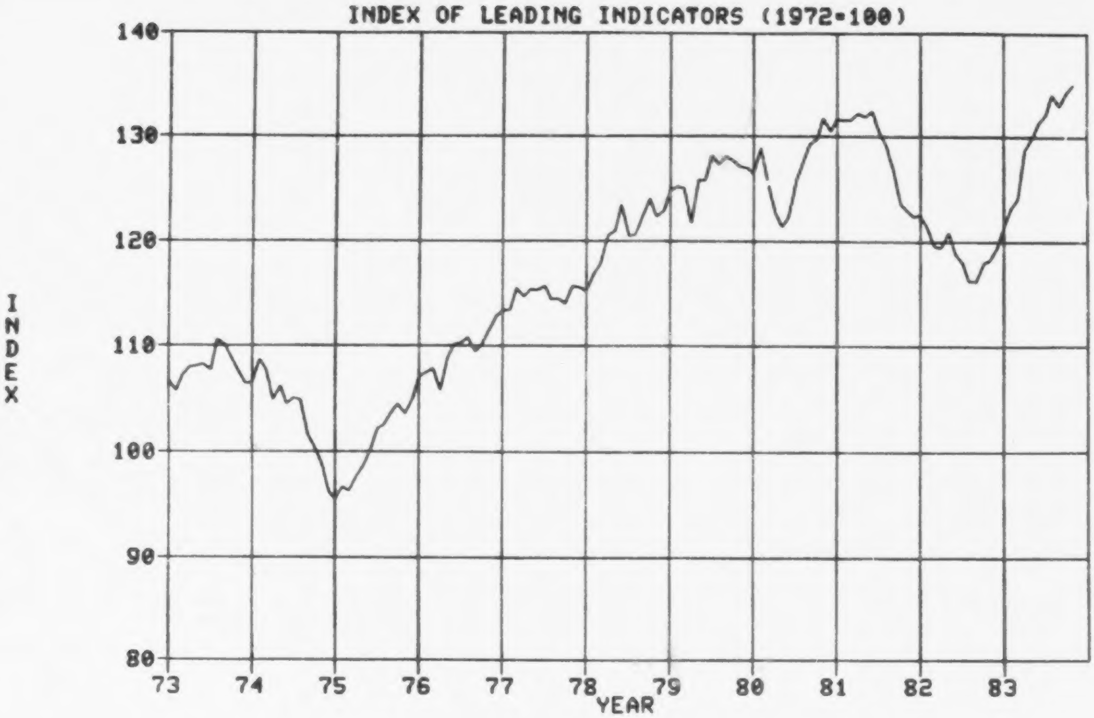
Taxable Sales

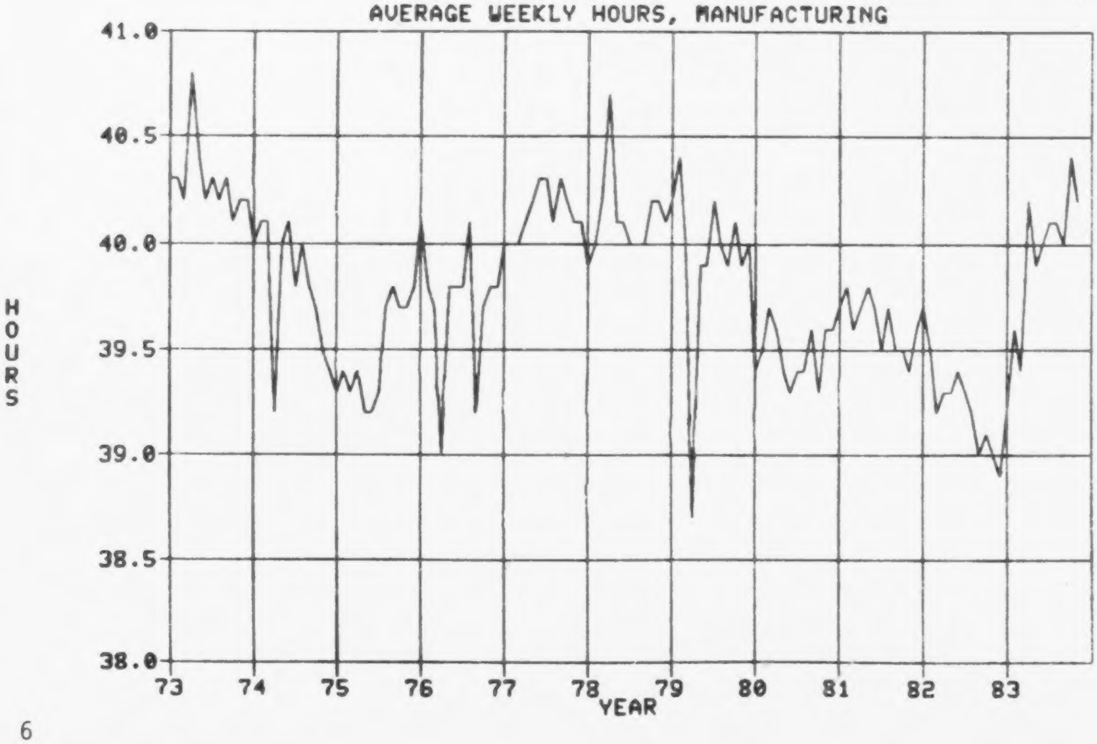
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised


INDEX OF LEADING INDICATORS (1972=100)
INDEX
140
130
120
110
100
90
80
73
74
75
76
77
78
79
80
81
82
83
YEAR


AVERAGE WEEKLY HOURS, MANUFACTURING
HOURS
41.0
40.5
40.0
39.5
39.0
38.5
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73
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75
76
77
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79
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81
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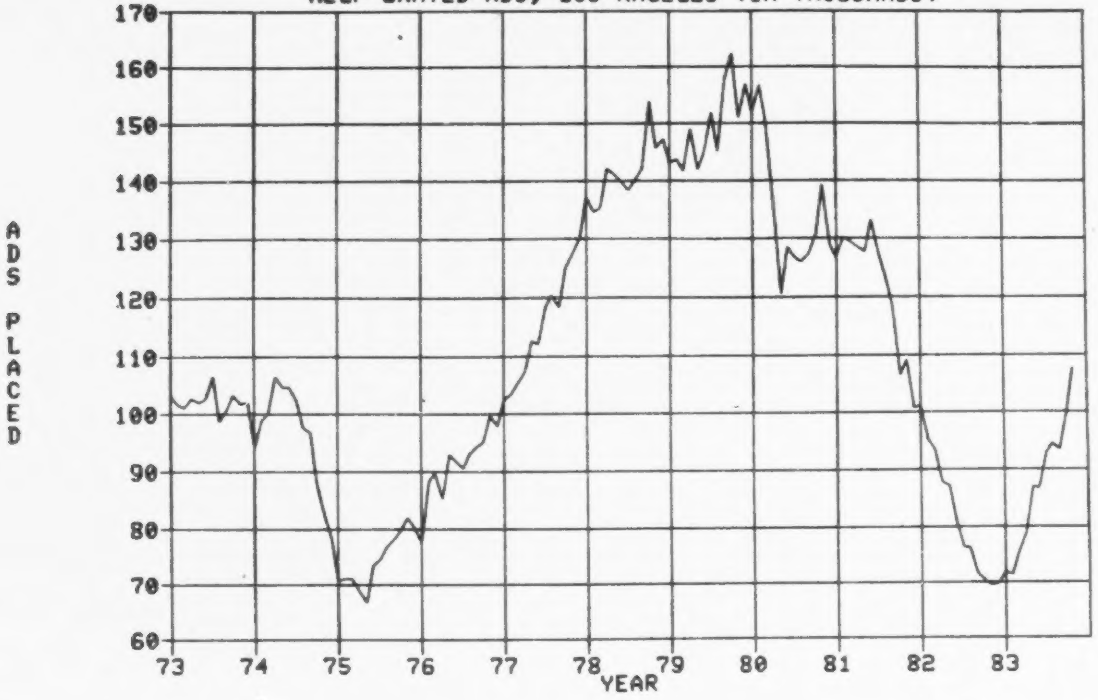
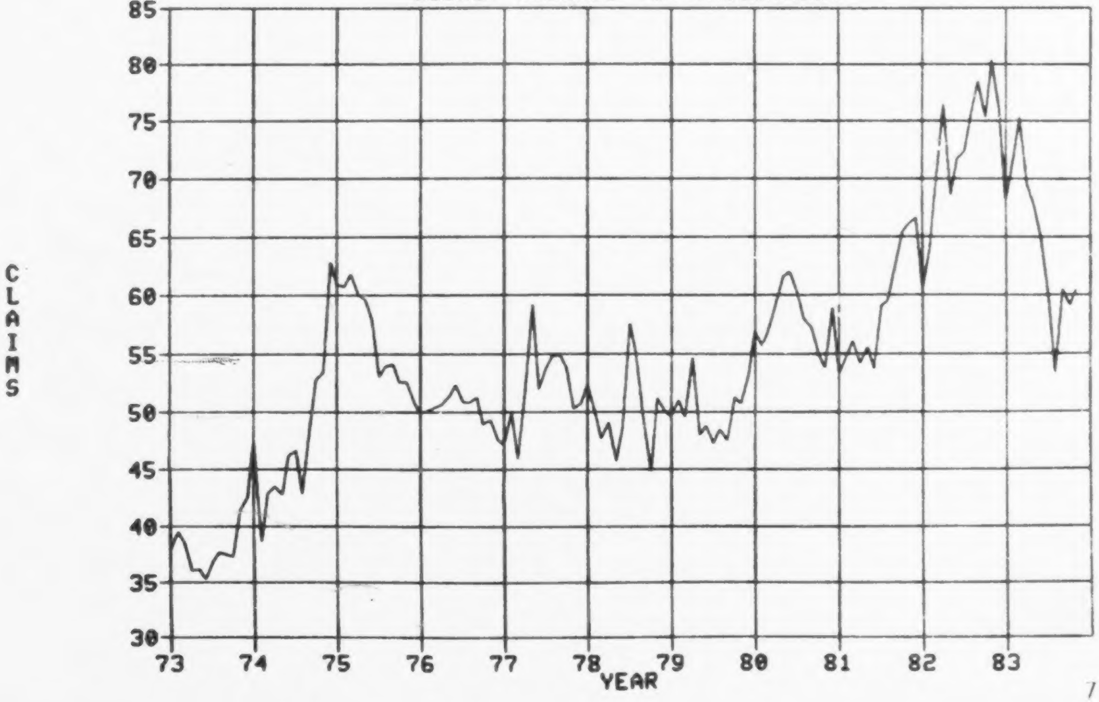
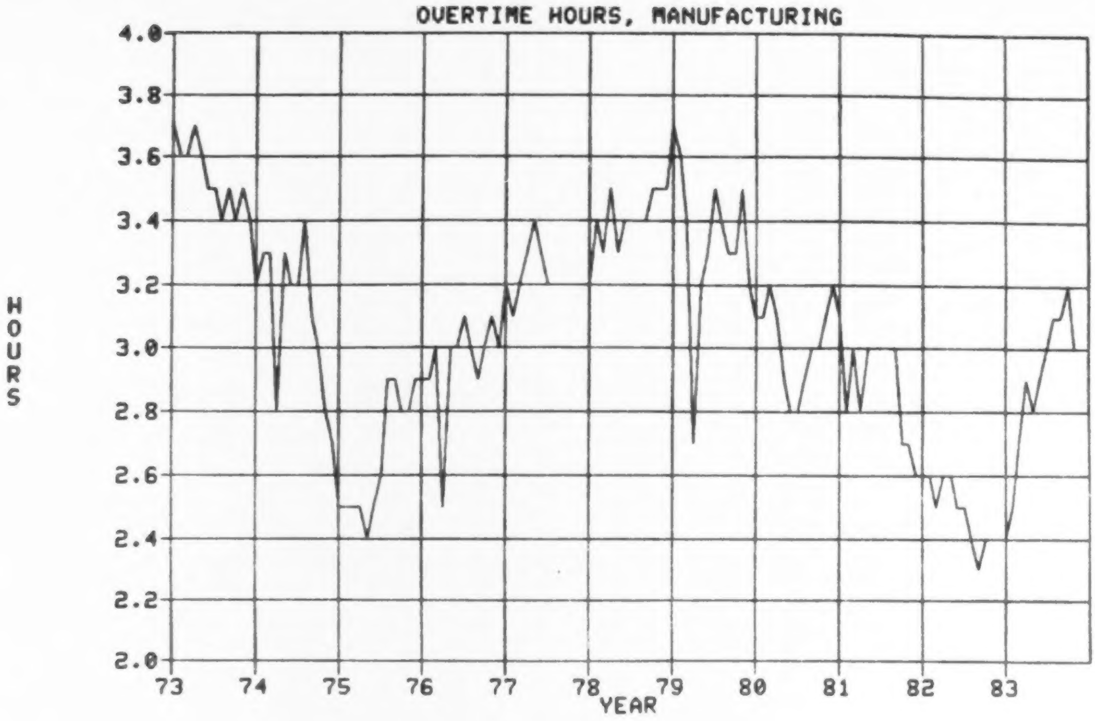
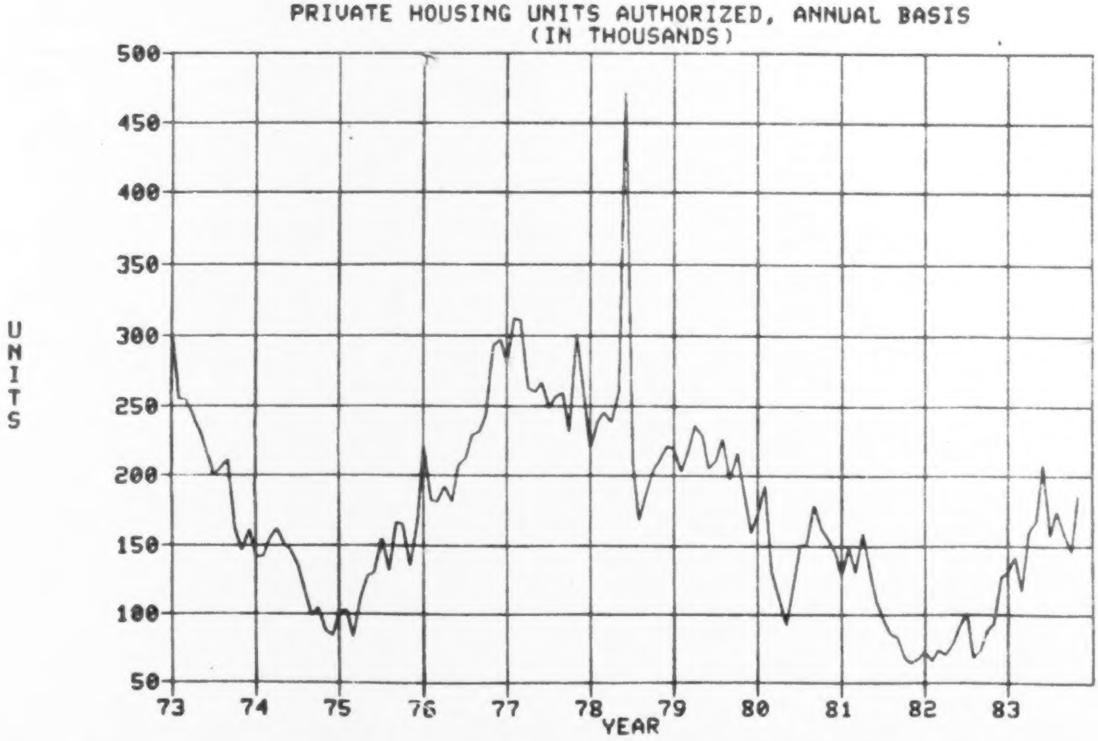
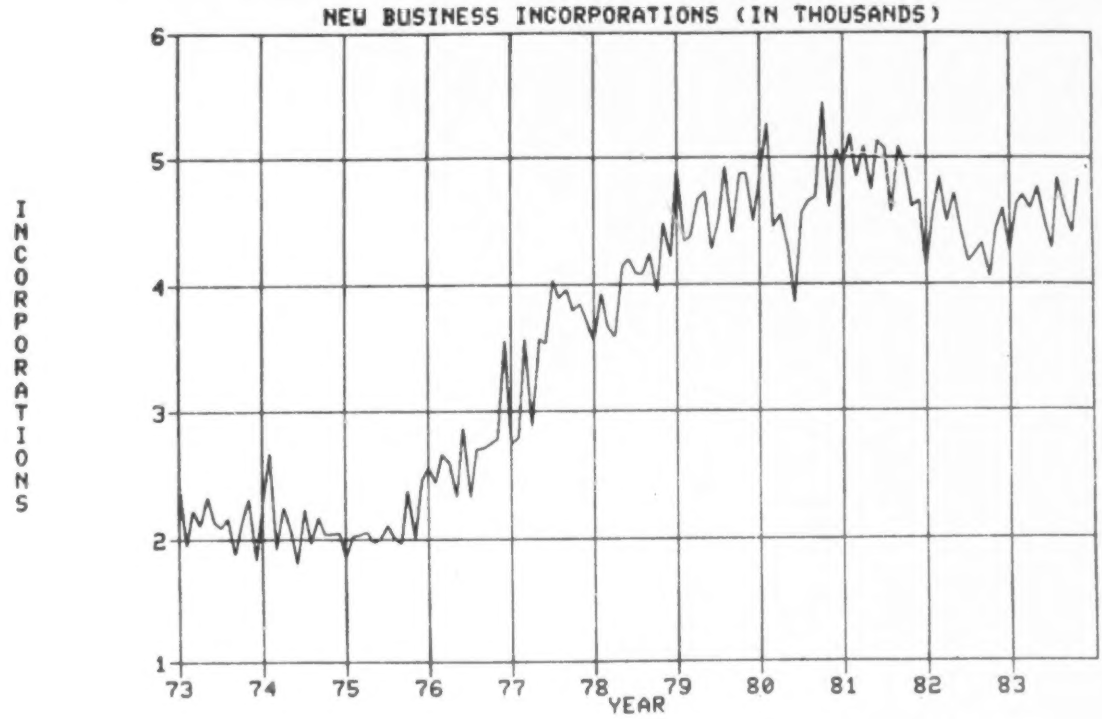
83
YEAR

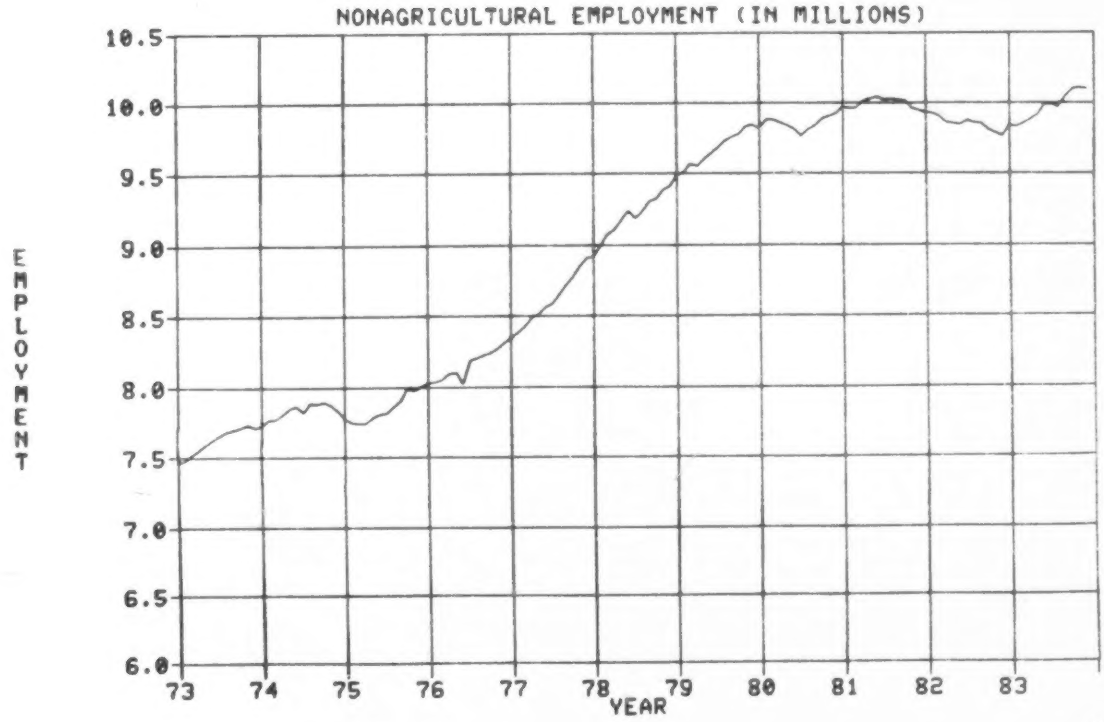

HELP WANTED ADS, LOS ANGELES (IN THOUSANDS)

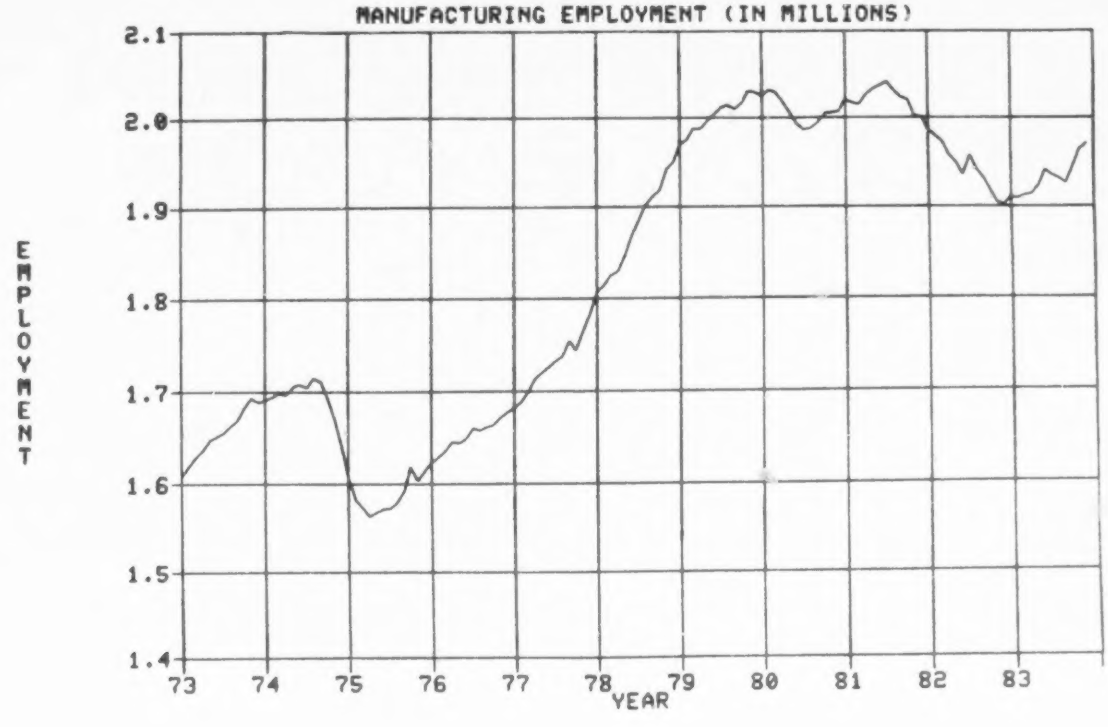

INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE, WEEKLY AVERAGE (IN THOUSANDS)


OVERTIME HOURS, MANUFACTURING
HOURS
4.0
3.8
3.6
3.4
3.2
3.0
2.8
2.6
2.4
2.2
2.0
73
74
75
76
77
78
79
80
81
82
83
YEAR

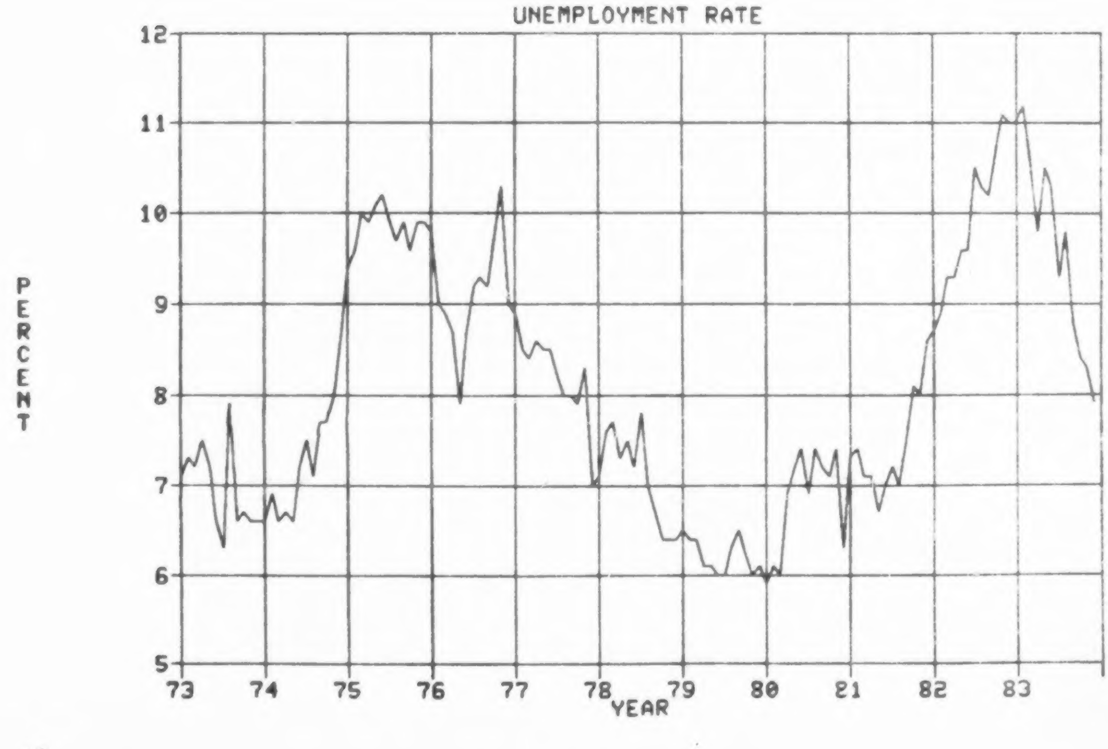

PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL BASIS
(IN THOUSANDS)
UNITS
500
450
400
350
300
250
200
150
100
50
73
74
75
76
77
78
79
80
81
82
83
YEAR


NEW BUSINESS INCORPORATIONS (IN THOUSANDS)
INCORPORATIONS
6
5
4
3
2
1
73
74
75
76
77
78
79
80
81
82
83
YEAR

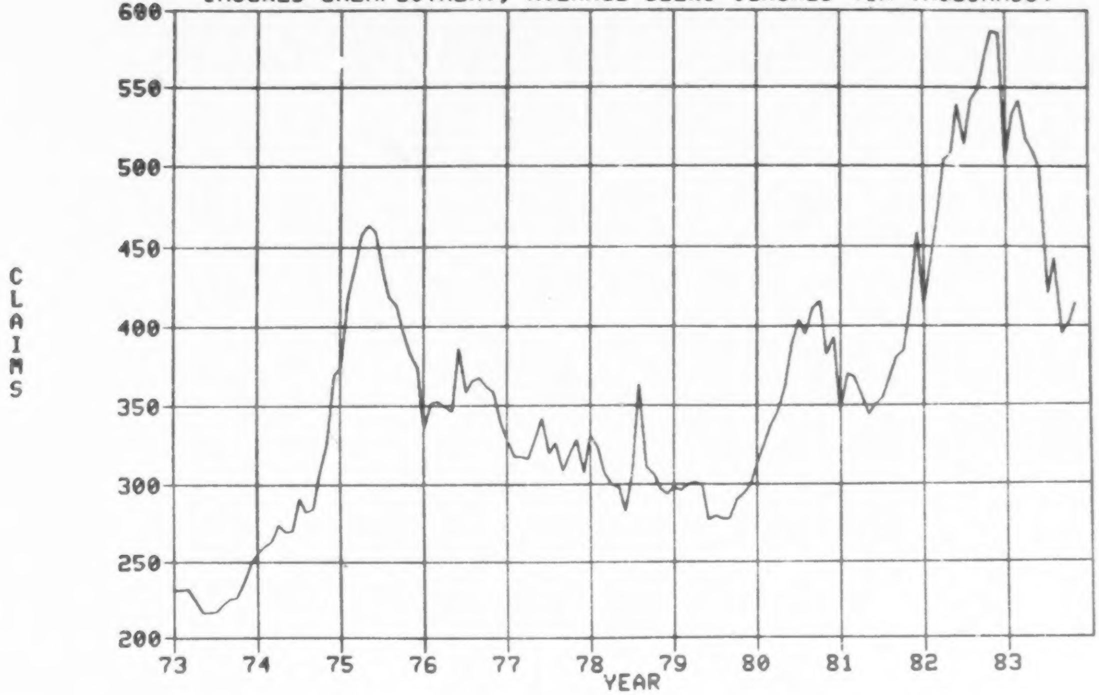

NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
73
74
75
76
77
78
79
80
81
82
83
YEAR



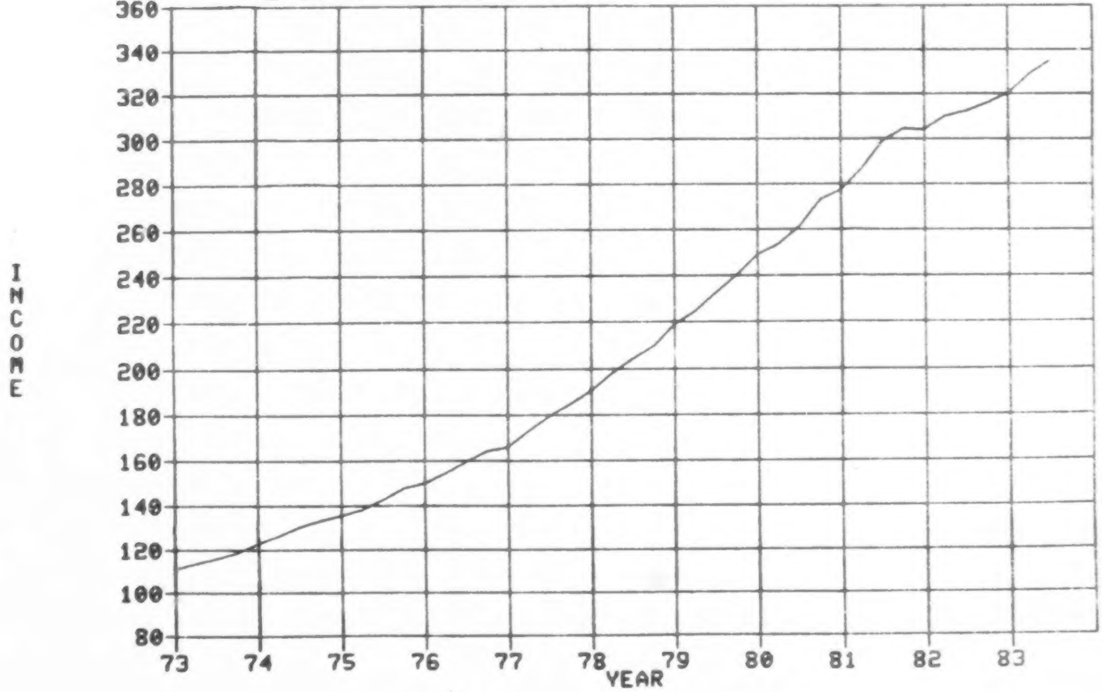
MANUFACTURING EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
73
74
75
76
77
78
79
80
81
82
83
YEAR



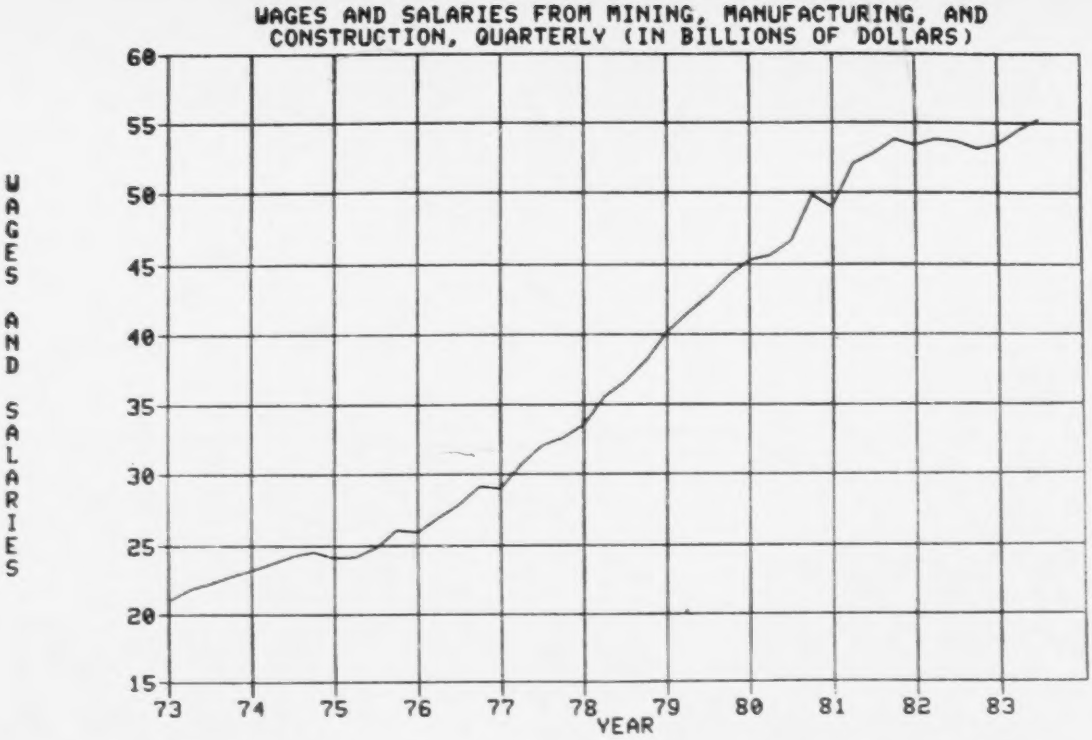
UNEMPLOYMENT RATE
PERCENT
12
11
10
9
8
7
6
5
73
74
75
76
77
78
79
80
81
82
83
YEAR

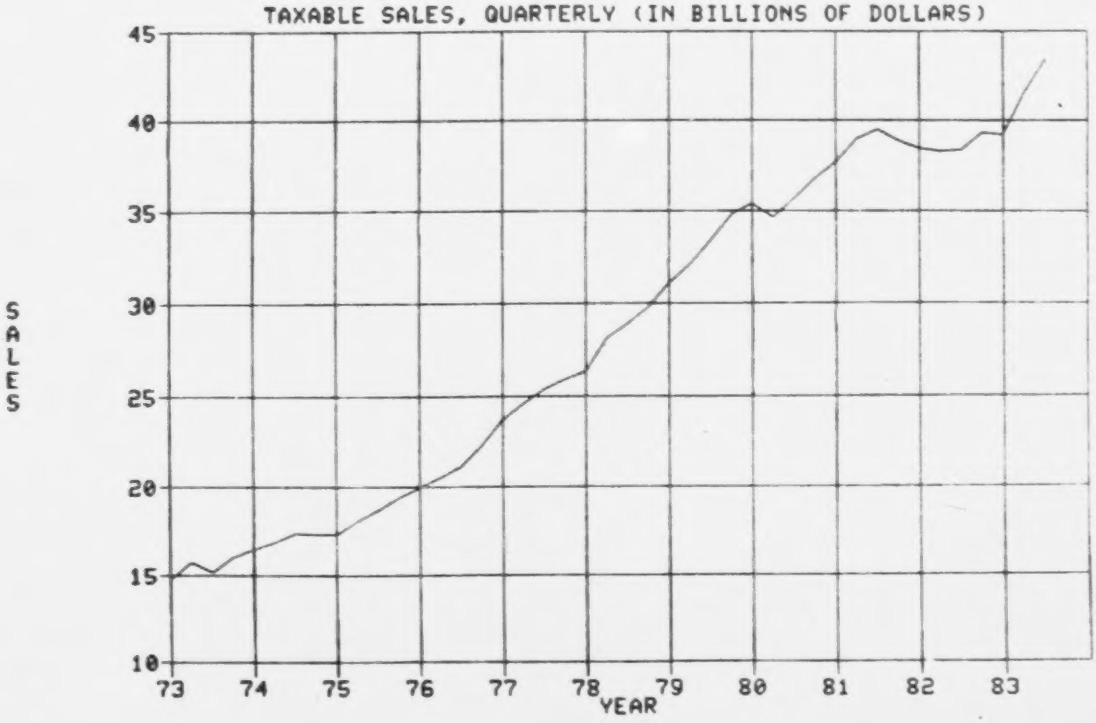


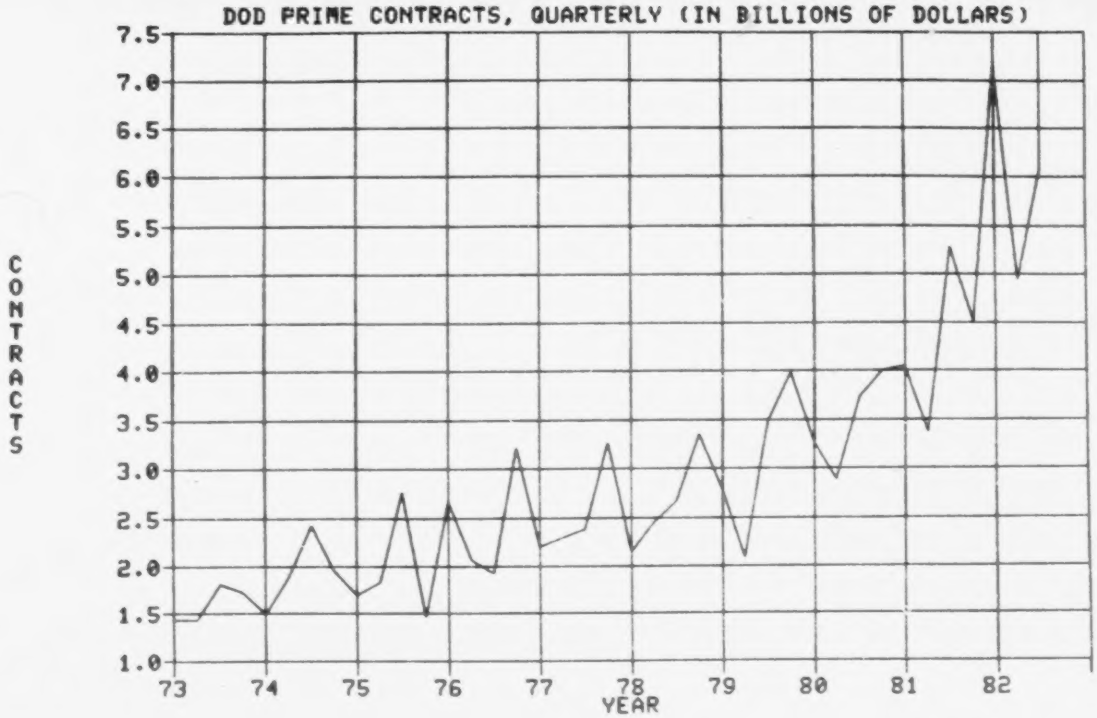
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)

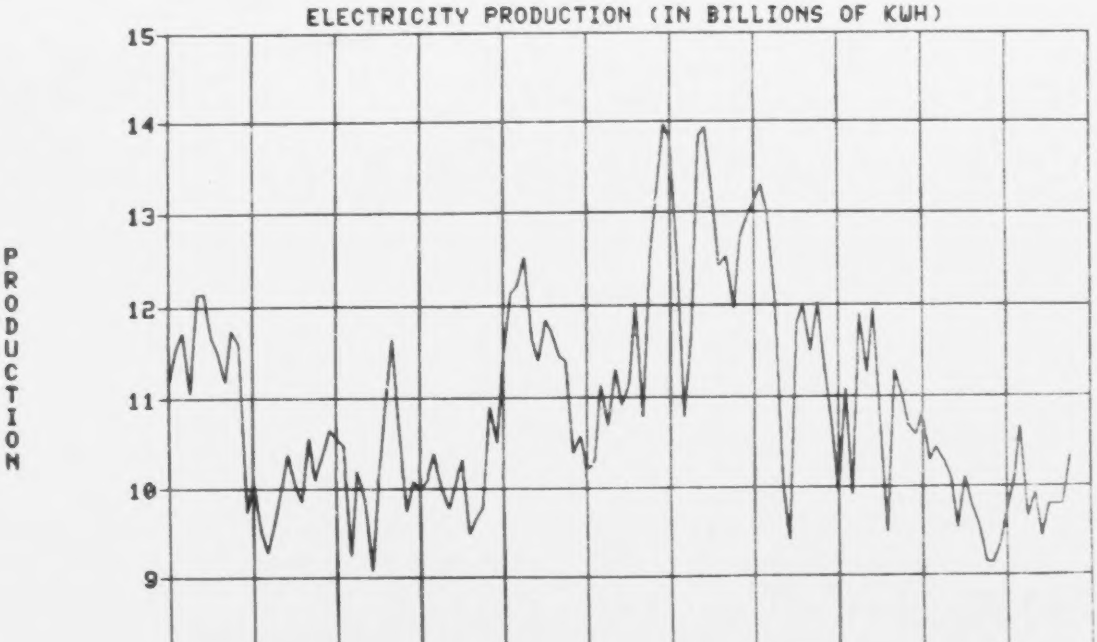


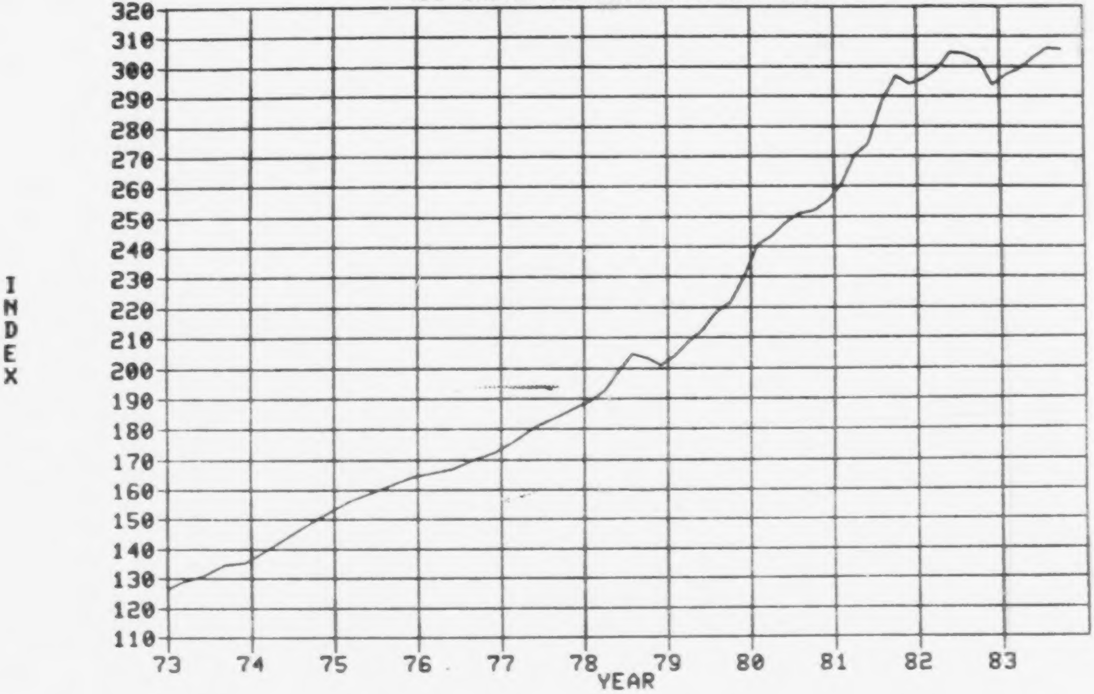
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)


WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)
WAGES AND SALARIES
60
55
50
45
40
35
30
25
20
15
73
74
75
76
77
78
79
80
81
82
83
YEAR

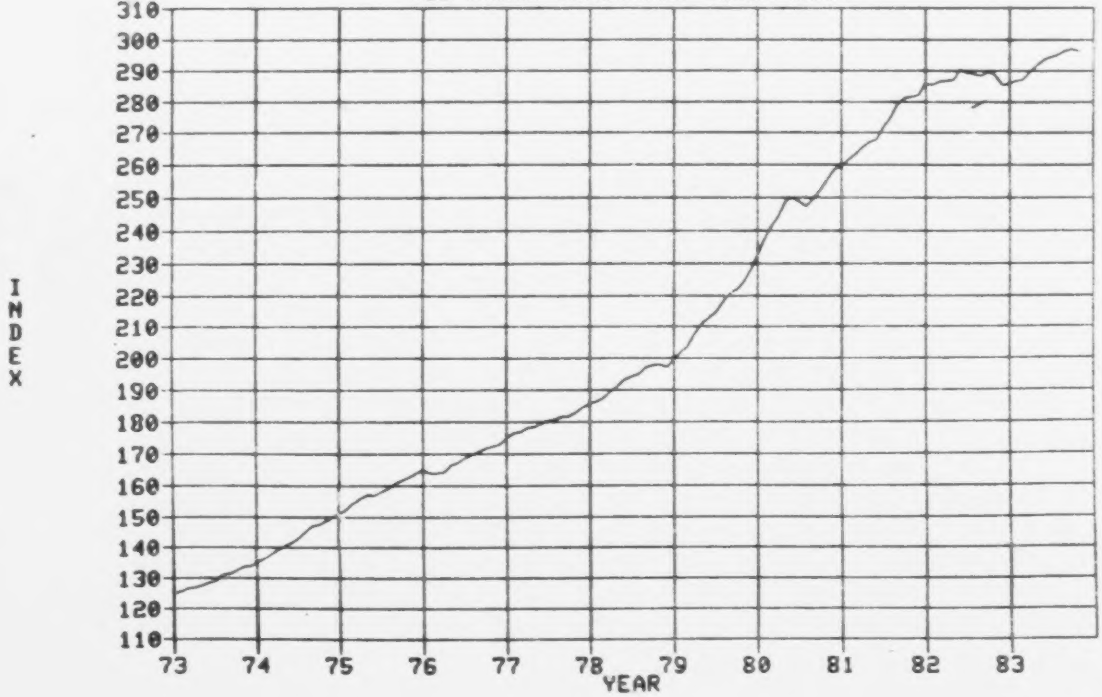

TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)
SALES
45
40
35
30
25
20
15
10
73
74
75
76
77
78
79
80
81
82
83
YEAR


DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
CONTRACTS
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
73
74
75
76
77
78
79
80
81
82
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
PRODUCTION
15
14
13
12
11
10
9
73
74
75
76
77
78
79
80
81
82
83
YEAR



CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

	Leading Indicators						
Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	* New Business Incorporations
1980							
January	126.4	39.4	151.8	56.8	3.1	172.5	4,842
February	129.1	39.5	156.7	55.6	3.1	193.2	5,268
March	126.1	39.7	150.0	57.1	3.2	131.8	4,456
April	123.3	39.6	135.7	59.3	3.1	112.3	4,553
May	121.1	39.4	120.7	61.6	2.9	92.4	4,279
June	122.4	39.3	128.7	62.0	2.8	117.6	3,851
July	125.8	39.4	126.9	60.2	2.8	150.7	4,568
August	127.7	39.4	126.1	58.0	2.9	150.6	4,659
September	139 6	39.6	127.4	57.3	3.0	179.2	4,686
October	130.5	39.3	130.7	54.9	3.0	162.6	5,438
November	132.4	39.6	139.4	53.8	3.1	155.4	4,609
December	131.1	39.6	128.9	58.9	3.2	145.5	5,063
1981							
January	131.3	39.7	126.9	53.2	3.1	128.8	4,932
February	131.3	39.8	130.2	54.7	2.8	148.2	5,182
March	131.3	39.6	129.5	56.1	3.0	130.9	4,853
April	132.0	39.7	128.6	54.2	2.8	158.5	5,090
May	131.5	39.8	127.8	55.5	3.0	131.0	4,745
June	131.9	39.7	133.0	53.7	3.0	109.5	5,132
July	129.9	39.5	127.6	59.1	3.0	96.2	5,076
August	129.0	39.7	123.8	59.5	3.0	86.3	4,569
September	126.5	39.5	118.4	62.4	3.0	83.6	5,092
October	123.2	39.5	106.4	65.4	2.7	68.1	4,913
November	122.8	39.4	109.0	66.1	2.7	64.5	4,611
December	122.1	39.6	100.6	66.7	2.6	67.7	4,660
1982							
January	122.5	39.7	101.0	60.4	2.6	72.4	4,116
February	121.2	39.5	95.1	64.2	2.6	66.0	4,577
March	119.6	39.2	93.5	69.8	2.5	74.3	4,847
April	119.4	39.3	87.8	76.4	2.6	70.3	4,494
May	120.8	39.3	87.1	68.6	2.6	78.1	4,723
June	118.9	39.4	81.2	71.7	2.5	90.9	4,446
July	118.0	39.3	76.3	72.3	2.5	101.0	4,176
August	116.3	39.2	76.3	75.5	2.4	68.5	4,240
September	116.2	39.0	71.5	78.5	2.3	73.4	4,321
October	117.9	39.1	70.3	75.3	2.4	88.7	4,059
November	118.2	39.0	69.4	80.3	2.4	93.4	4,431
December	119.5	38.9	69.8	76.0	2.4	127.5	4,596
1983							
January	121.3	39.2	71.7	68.1	2.4	130.9	4,257
February	123.2	39.6	71.4	71.6	2.5	141.7	4,630
March	124.0	39.4	75.4	75.3	2.7	116.9	4,704
April	128.7	40.2	78.7	69.6	2.9	160.1	4,595
May	129.9	39.9	86.9	67.6	2.8	167.1	4,767
June	131.3	40.0	86.8	64.7	2.9	208.4	4,516
July	132.1	40.1	92.7	59.6	3.0	157.3	4,284
August	134.1	40.1	94.4	53.3	3.1	174.6	4,842
September	133.0	40.0	93.3	60.5	3.1	158.9	4,594
October	134.4	40.4	100.2	59.1	3.2	145.8	4,403
November	135.0	40.2	107.6	60.4	3.0	186.3	4,831

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
1980							
January	9,816.9		5.9	312			2,025.7
February	9,878.3	45,246	6.1	325	249,467	35,423	2,031.9
March	9,883.5		6.0	337			2,029.7
April	9,857.9		6.9	346			2,017.9
May	9,838.9	45,639	7.2	362	253,922	34,703	2,005.3
June	9,812.1		7.4	388			1,993.2
July	9,762.8		6.9	404			1,987.0
August	9,806.5	46,673	7.4	395	261,523	35,714	1,987.4
September	9,835.9		7.2	412			1,994.0
October	9,886.8		7.1	416			2,004.5
November	9,900.0	49,839	7.4	382	273,398	36,835	2,006.4
December	9,925.1		6.3	393			2,007.0
1981							
January	9,966.3		7.3	345			2,020.8
February	9,957.5	49,015	7.4	370	277,407	37,688	2,017.7
March	9,961.2		7.1	368			2,015.4
April	10,012.4		7.1	356			2,026.3
May	10,028.0	52,018	6.7	344	286,975	39,015	2,033.7
June	10,044.5		7.0	350			2,036.6
July	10,021.5		7.2	354			2,040.9
August	10,028.4	52,807	7.0	366	299,432	39,478	2,031.8
September	10,016.6		7.5	380			2,023.8
October	10,010.8		8.1	385			2,020.3
November	9,963.0	53,787	8.0	413	304,585	38,891	2,003.0
December	9,945.0		8.6	459			2,000.9
1982							
January	9,930.7		8.7	412			1,987.0
February	9,921.3	53,399	8.9	442	304,259	38,488	1,980.0
March	9,903.1		9.3	467			1,974.0
April	9,861.9		9.3	504			1,958.3
May	9,850.0	53,831	9.6	508	310,142	38,301	1,948.7
June	9,843.8		9.6	539			1,936.0
July	9,872.6		10.5	514			1,947.3
August	9,865.7	53,669	10.3	542	312,281	38,391	1,938.5
September	9,874.7		10.2	549			1,934.3
October	9,852.4		10.7	571			1,925.0
November	9,834.6	53,121	11.1	587	316,133	39,324	1,922.1
December	9,809.2		11.0	586			1,909.3
1983							
January	9,837.7		11.0	505			1,910.1
February	9,828.6	53,455	11.2	533	320,112	39,192	1,909.0
March	9,847.9		10.6	542			1,913.0
April	9,883.8		9.8	518			1,914.3
May	9,914.7	54,488	10.5	509	328,836	41,520	1,924.2
June	9,981.8		10.3	499			1,940.8
July	9,990.5		9.3	421			1,935.3
August	9,966.9	55,282	9.8	443	335,214	43,430	1,931.8
September	10,048.3		8.8	395			1,926.1
October	10,096.2		8.4	403			1,945.2
November	10,104.9		8.3	415			1,964.2
December	10,097.5		7.9				1,971.1

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Other Indicators						
		Consumer Price Index (1967=100)c/					
		San Francisco		Los Angeles			
Year and Month	DOD Prime Contracts (mil dol.)b/	Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban	Net New S&L Savingsc/ (mil dol.)	Electricity Production (mil KWH)
1980							
January		--	--	235.0	232.6	234	13,103
February	3,462	240.0	240.7	240.0	237.6	106	13,296
March		--	--	243.9	241.3	-536	12,966
April		242.8	243.5	247.8	244.6	-517	12,032
May	3,397	--	--	252.6	249.1	225	10,019
June		247.7	248.0	253.4	250.1	-33	9,407
July		--	--	251.5	248.7	-25	11,788
August	3,602	251.4	251.0	250.1	247.3	210	12,002
September		--	--	251.6	249.6	-87	11,489
October		252.6	251.9	254.9	252.6	310	12,024
November	3,473	--	--	258.4	255.5	-160	11,345
December		255.7	254.9	262.2	258.7	379	10,684
1981							
January		--	--	262.7	259.4	-241	9,935
February	4,197	261.6	260.5	265.0	261.6	-2	11,078
March		--	--	266.5	263.3	-753	9,904
April		270.9	270.3	269.1	265.5	-830	11,906
May	4,057	--	--	270.7	267.3	-44	11,254
June		274.3	274.0	271.7	267.9	-1,539	11,958
July		--	--	276.3	272.2	-1,020	10,635
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,487
September		--	--	282.9	279.3	-541	11,280
October		295.6	297.0	284.9	281.3	667	11,001
November	3,957	--	--	285.5	281.8	-385	10,676
December		292.7	294.0	286.1	282.3	-110	10,562
1982							
January		--	--	289.8	285.6	366	10,806
February	7,338	249.9	295.8	289.4	285.6	333	10,284
March		--	--	290.4	286.6	-181	10,428
April		297.8	298.8	290.5	286.8	-1,085	10,285
May	6,015	--	--	290.6	287.1	-47	10,089
June		303.4	304.6	293.9	290.1	-1,140	9,534
July		--	--	293.0	289.3	-143	10,099
August	5,694	302.8	304.3	292.8	289.1	-412	9,796
September		--	--	291.7	288.2	78	9,560
October		301.3	302.4	292.8	289.5	-615	9,144
November	6,080	--	--	291.6	288.5	779	9,129
December		293.6	293.9	288.0	285.3	3,749	9,349
1983							
January		--	--	288.0	285.6	5,805	9,693
February	6,452	293.9	297.3	290.1	286.8	2,757	10,054
March		--	--	289.6	287.1	1,992	10,657
April		294.7	299.3	290.2	289.5	2,301	9,646
May		--	--	292.1	292.0	2,381	9,918
June		298.6	303.0	292.1	293.6	1,043	9,429
July		--	--	293.2	294.5	2,066	9,797
August		301.6	306.0	293.7	295.2	3,207	9,795
September		--	--	296.7	296.4	3,476	10,329
October		301.4	305.7	299.0	297.0	1,679	
November		--	--	297.8	296.5	276	

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a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. collar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent. FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent. California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent. Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26- September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31- November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

1980--Continued

July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

	1981--(Continued)
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

	1981--(Continued)
December 12	Martial law imposed in Poland.

	1982
January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	FHA mortgage rate lowered from 13 percent to 12.5 percent.
November 3	Strike against Greyhound Lines Inc. begins.
December 21	Greyhound strike ends.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian employment
	Unemployment
	Unemployment rate
	Nonagricultural employment
	Manufacturing employment
	Hours and earnings
	Nonagricultural placements
	Initial claims for unemployment insurance
	Insured unemployment
	Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income
	Wages and salaries
	Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized
	Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	News business incorporations
Federal Reserve Bank of San Francisco	Demand deposits
	Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial Trough	Peak	Terminal Trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981		12		

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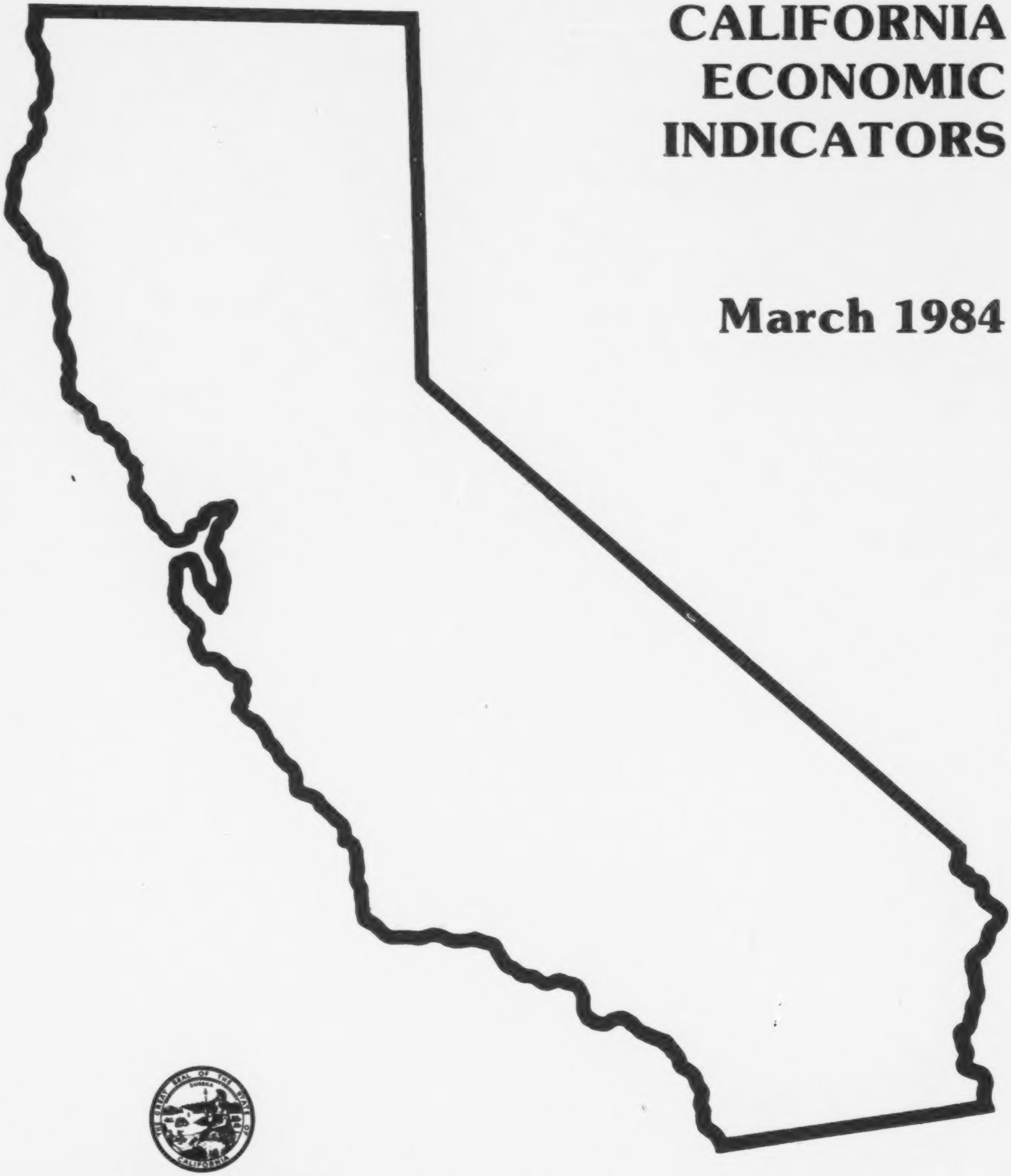
CALIFORNIA ECONOMIC INDICATORS

March 1984



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- o review of economic developments
- o current California economic data table
- o economic indicator charts
- o basic data for California economic series
- o chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1974 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento CA 95814.

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Beginning Subscription Date	Prorated Amount due
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March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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REVIEW OF ECONOMIC DEVELOPMENTS

The California economy has continued to improve over the last few months. Evidence of this can be seen in lower unemployment, higher consumer confidence, and the continued moderate rate of inflation.

The sharp drop in the number of Californians unemployed has been fairly dramatic, with a 28 percent decline from the November 1982 peak. February's jobless total, at 983,000, was the lowest level in over two years. The unemployment rate of 8.0 percent was 3 percentage points below the prior year's level. Although the national unemployment rate of 7.8 percent is slightly lower than California's, the rate of improvement has been more gradual.

The strengthening economy is illustrated also by the growth in nonagricultural wage and salary employment. Both January and February continued the uptrend that began in October 1982, rising by 1.0 and 0.3 percent, respectively. Within industry groups, construction employment rose 4.1 percent in January, only to remain essentially unchanged in February. Manufacturing, services, and the finance group all showed employment growth in each of the two months, while mining and State and local government declined last month.

The breakup of AT&T became effective January 3, 1984. At that time, some of the new AT&T units were reclassified from the transportation and utility (TU) sector to the retail trade and service industries. This situation distorted the changes in these three areas between December and January. Employment fell 4.3 percent in TU, but was up 2.6 percent in retail trade and 0.9 percent in services. Although these one month changes are quite large, when the three industries are looked at together the net employment increase was 0.9 percent, roughly equal to the all industry average.

Housing construction finished off 1983 with a bang. The 215,500 unit rate for December was the highest single month since October 1979. In contrast, the December 1982 rate was only 127,500 units.

Nonresidential construction has not seen as sharp a snapback as the residential sector has. This is due primarily to three developments. First, nonresidential construction was not as severely impacted by the recession, and therefore has less ground to make up. Second, there is still a large amount of vacant office space available in California. According to Coldwell Banker, office vacancy rates in California ranged from 5.9 percent in San Francisco to 21.3 percent in San Diego in the fourth quarter 1983. Finally, hotel-motel authorizations are trending down after the 1982 surge in anticipation of the 1984 Olympics in Los Angeles and the Democratic Convention in San Francisco. In such an environment, it is not surprising that the value of nonresidential construction in December was below the prior year's level.

The slow rate of inflation enjoyed through 1983 has continued into the current year. Overall, the California CPI was up 5.0 percent from February 1983 to February 1984, while the national average was 4.6 percent. An exceptionally good sign is the fact that year-to-year changes in the medical care component are now less than that for the all items indexes in each of the three California cities. The last time this occurred was in April 1981, when the housing component was driving the indexes up. Growing concerns over medical care prices have led to increasing pressures by insurers, employer groups and others to keep costs under control. This could well result in further restraint in this area over the next year.

There has been a slight acceleration of price increases in a few components of the CPI recently. Most significant were the January home fuel rises, due to rate increases in the San Francisco-Oakland SMSA. Rents have also moved up at a somewhat faster pace. Food prices rose sharply between December and January, but have resumed a more moderate trend since then. Appraisal of the food category is complicated by seasonal variations, which can lead to unusual savings for individual items from month to month. Assuming no external shocks, the CPI gain for the year should be moderate, particularly when compared with the rapid increases which were recorded prior to 1983.

The California index of leading economic indicators, a predictor of economic activity about thee to six months into the future, rose 1.2 percent in December. This was the 16th straight monthly increase in the index, and also marked the fifth straight month that the index reached a new high. Five of the eight components improved in December, while two weakened and one was unchanged. The continued strong growth in the index indicates that California will continue to enjoy an expanding economy well into the months ahead.

CURRENT CALIFORNIA ECONOMIC DATA

	1984	1983				1982	Percent Change
	January	December	November	October	January	December	January 1983-January 1984
Employment[a]							
Civilian employment (000)	11,350	11,388	11,367	11,279	10,922	10,927	3.9
Unemployment (000)	1,045	1,001	1,041	1,054	1,350	1,360	-22.6
Unemployment rate	8.4	8.1	8.4	8.5	11.0	11.1	--
Nonagricultural wage and salary employment[b] (000)	10,354.6	10,252.7	10,240.0	10,210.3	9,798.2	9,744.0	5.7
Mining	48.3	48.2	48.4	48.4	47.6	48.0	1.5
Construction	412.1	395.7	396.9	397.6	344.8	334.5	19.5
Manufacturing	2,026.0	1,999.7	1,995.7	1,981.2	1,902.1	1,897.0	6.5
Aerospace[c]	672.9	671.8	667.9	669.8	646.8	648.9	4.0
Transportation and public utilities	528.9	552.9	552.2	551.2	537.0	537.6	-1.5
Trade	2,488.9	2,435.1	2,428.3	2,418.2	2,290.3	2,266.6	8.7
Finance, insurance, and real estate	682.0	677.1	677.0	673.7	644.0	640.0	5.9
Services	2,441.5	2,418.9	2,413.4	2,409.4	2,301.7	2,287.6	6.1
Government	1,726.9	1,725.1	1,728.1	1,732.8	1,730.7	1,732.7	-0.2
Federal	330.8	329.5	330.0	329.0	328.6	329.5	0.7
State and local	1,396.1	1,395.6	1,398.1	1,401.6	1,402.1	1,403.2	-0.4
Hours and Earnings, Manufacturing							
Average weekly hours	40.2	41.1	40.6	40.3	39.1	39.8	2.8
Average weekly earnings	$386.72	$395.79	$389.35	$386.07	$368.71	$376.11	4.9
Average hourly earnings	$9.62	$9.63	$9.59	$9.58	$9.43	$9.45	2.0
Index of Leading Indicators	n.a.	137.3	135.7	135.0	121.7	120.6	n.a.
Trade							
Retail sales (millions)	n.a.	$15,381	$12,425	$12,082	$9,892	$13,456	n.a.
New auto registrations (number)	94,493[i]	92,241	94,495	84,866	75,427	86,482	25.3
New Incorporations (number)	4,787	4,692	4,430	4,856	4,040	4,566	18.5
Consumer Price Index, all items[d]							
California average (1967=100)	--	304.6	--	303.6	--	291.0	--
San Francisco (1967=100)	--	307.3	--	305.7	--	293.9	--
Los Angeles (1967=100)	299.1	297.7	296.5	297.0	285.6	285.3	4.7
San Diego (1967=100)	346.6	--	342.3	--	324.9	--	6.7
Production							
Petroleum (000 barrels daily)	n.a.	1,106.9	1,110.1	1,115.0	1,094.6	1,093.5	n.a.
Portland cement (000 short tons)	n.a.	609.5	639.0	777.7	434.4	479.7	n.a.
Raw steel (000 net tons)	32.5	27.7	30.5	109.8	39.9	26.3	-18.5
Selected redwood mill production (mil. FBM)	62.1	71.3	83.3	96.6	100.1	47.7	-38.0
Construction							
Private residential housing units authorized, SAAR (000)	n.a.	215.5	186.3	145.8	130.9	127.5	n.a.
Nonresidential building authorized, valuation (millions)	n.a.	$798.4	$754.2	$952.6	$774.6	$841.0	n.a.

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series. New basis since January 1983.

[i] Incomplete, subject to late processing.

[r] Revised.

n.a. Not available

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ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

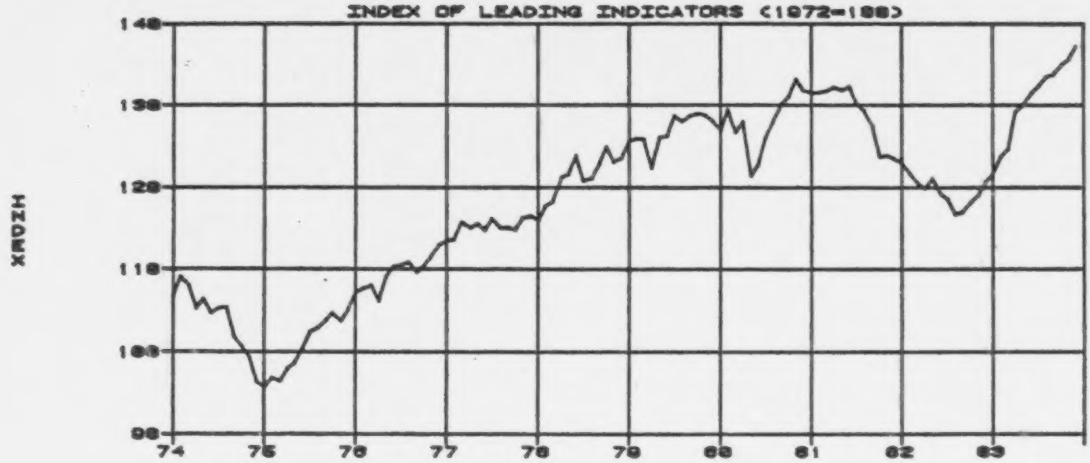
Taxable Sales

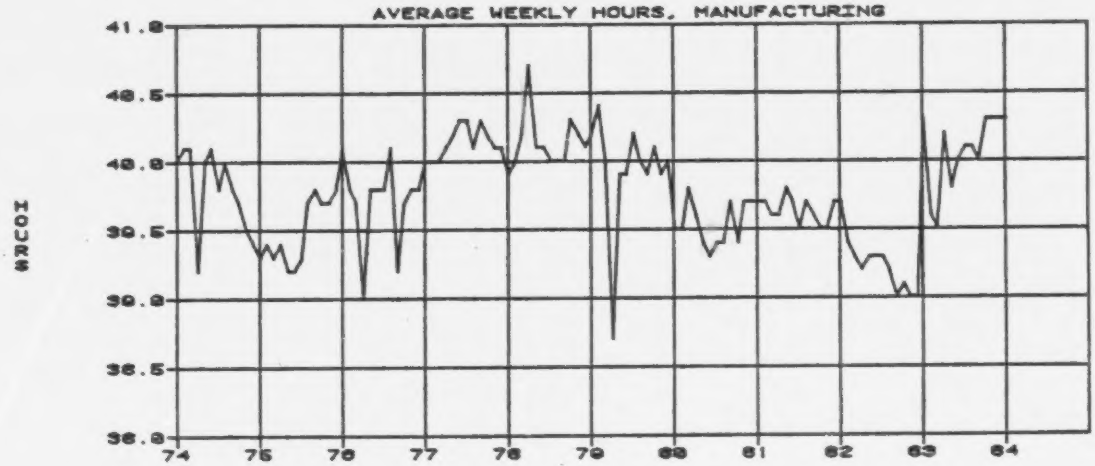
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

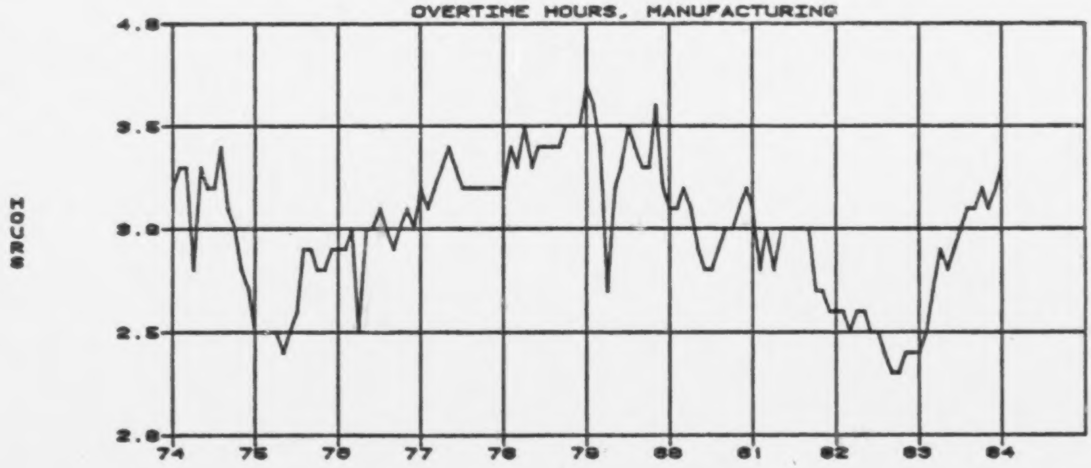
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

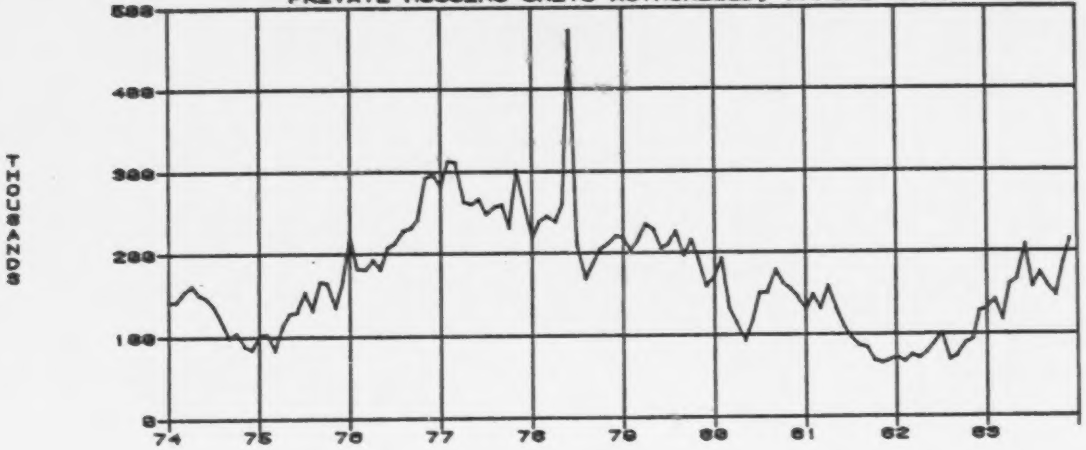
n.a.	Not available	p	Preliminary
e	Estimate	r	Revised


INDEX OF LEADING INDICATORS (1972=100)
INDEX
140
130
120
110
100
90
74
75
76
77
78
79
80
81
82
83

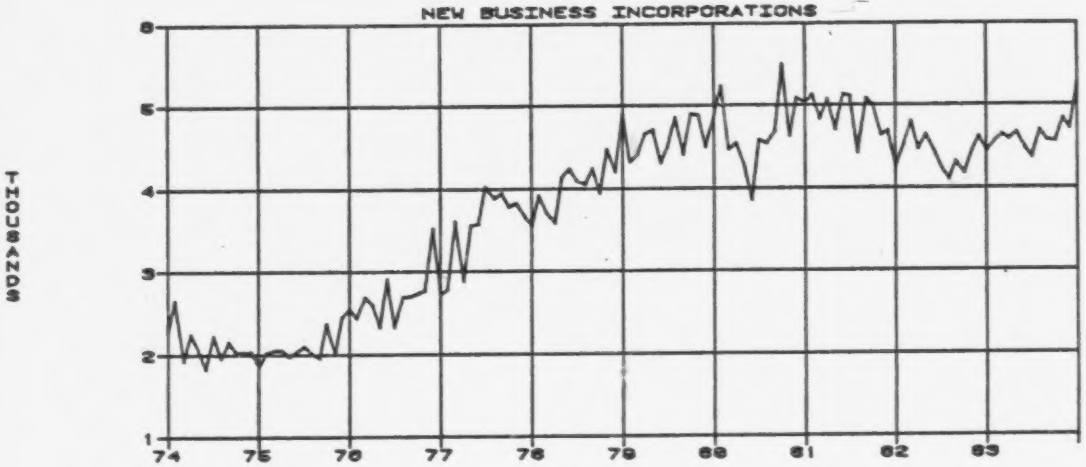

AVERAGE WEEKLY HOURS, MANUFACTURING
HOURS
41.0
40.5
40.0
39.5
39.0
38.5
38.0
74
75
76
77
78
79
80
81
82
83
84


OVERTIME HOURS, MANUFACTURING
HOURS
4.0
3.5
3.0
2.5
2.0
74
75
76
77
78
79
80
81
82
83
84

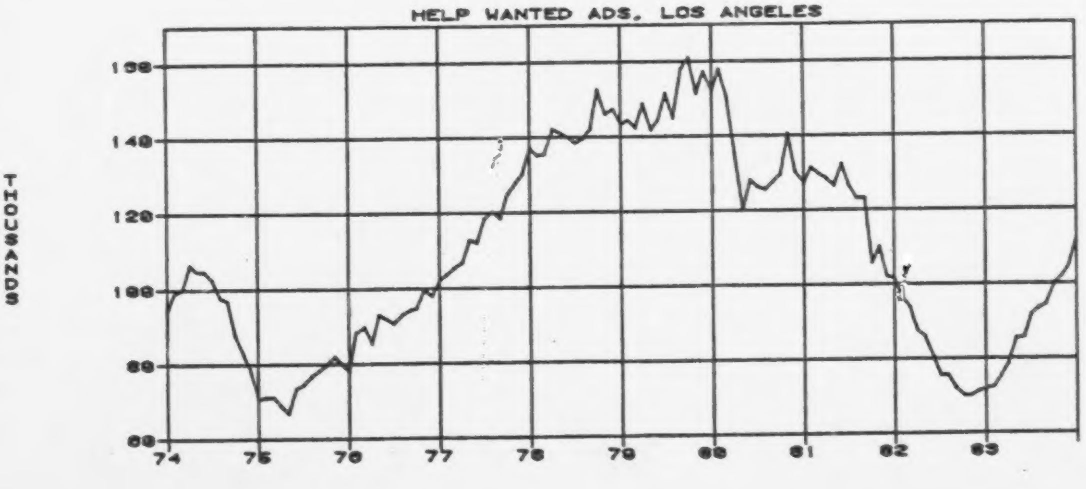
PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL RATE

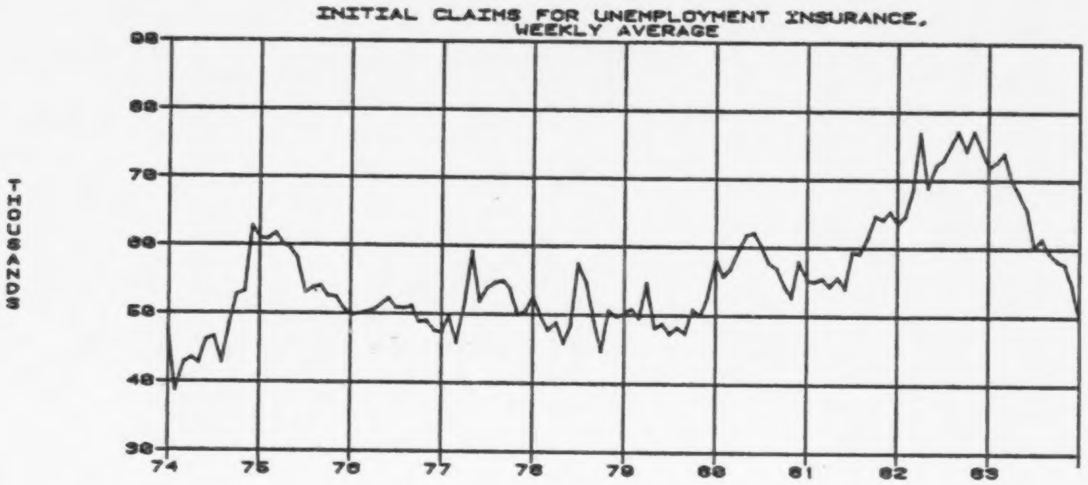


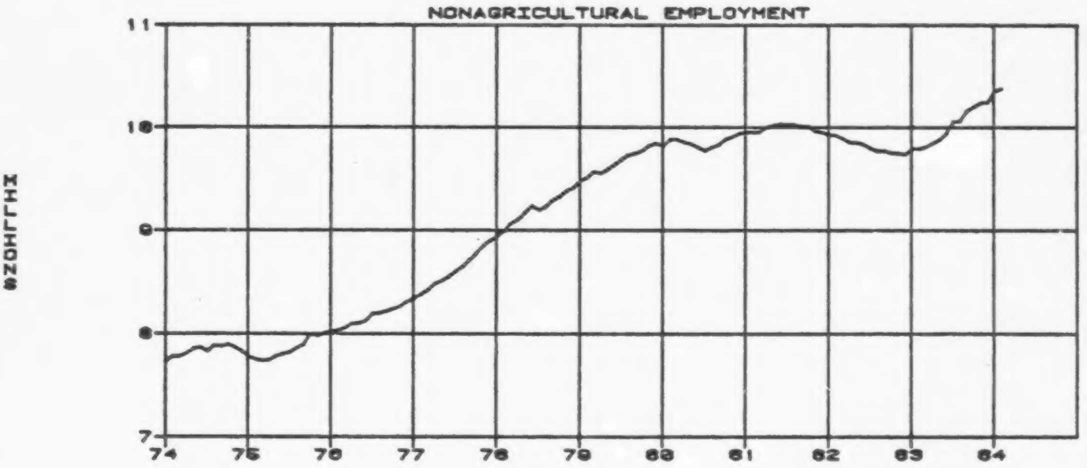
NEW BUSINESS INCORPORATIONS

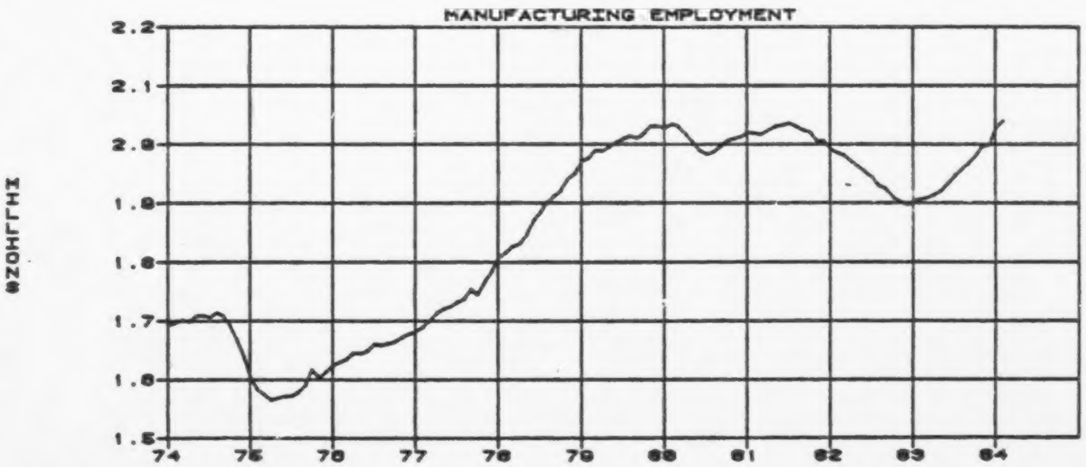


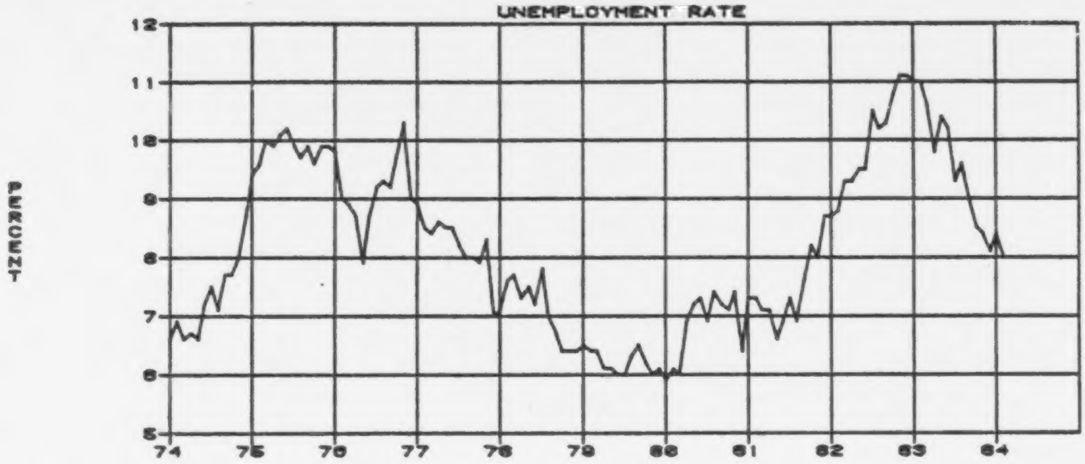
HELP WANTED ADS, LOS ANGELES

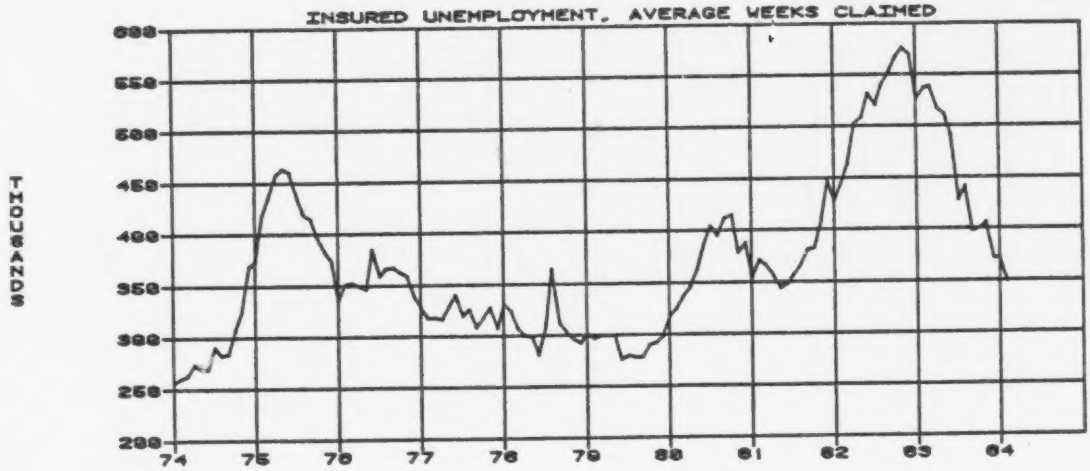


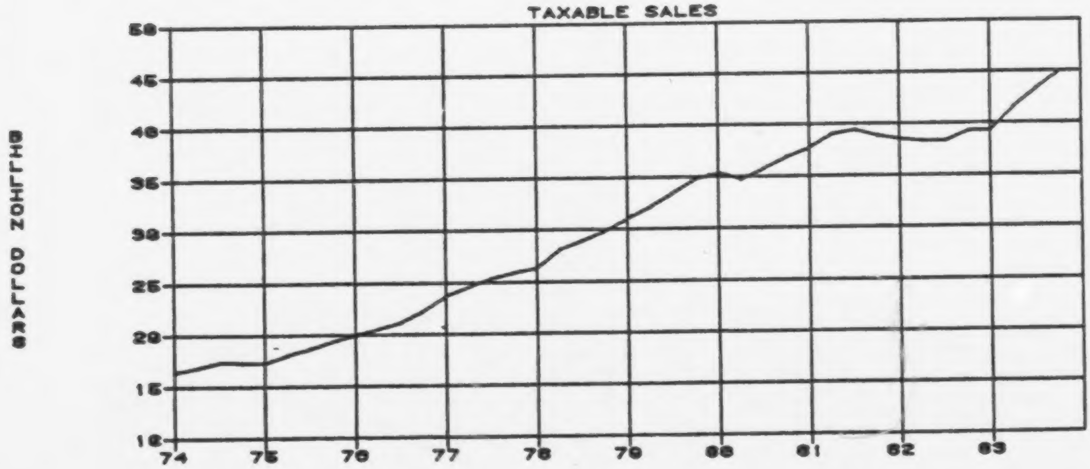

INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE, WEEKLY AVERAGE

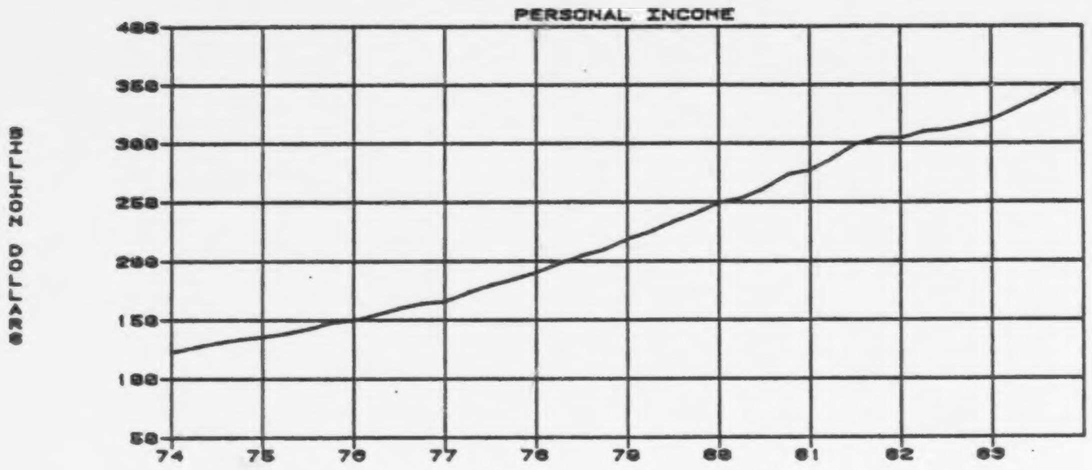

NONAGRICULTURAL EMPLOYMENT


MANUFACTURING EMPLOYMENT

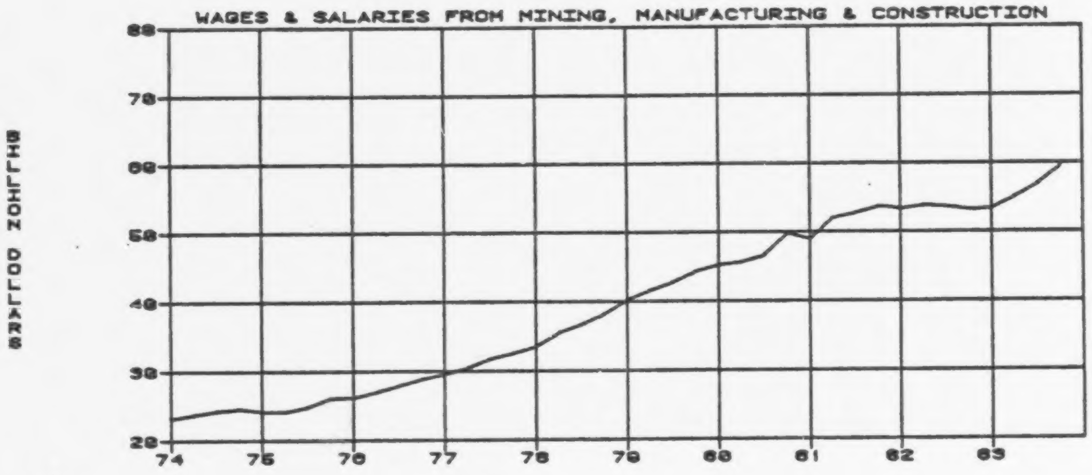

UNEMPLOYMENT RATE
PERCENT
12
11
10
9
8
7
6
5
74
75
76
77
78
79
80
81
82
83
84


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
THOUSANDS
600
550
500
450
400
350
300
250
200
74
75
76
77
78
79
80
81
82
83
84

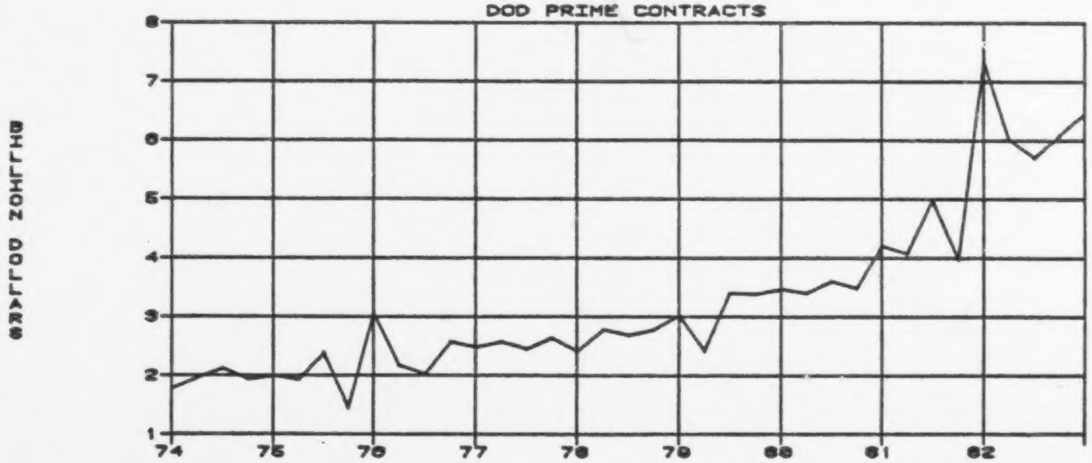

TAXABLE SALES
BILLION DOLLARS
50
45
40
35
30
25
20
15
10
74
75
76
77
78
79
80
81
82
83



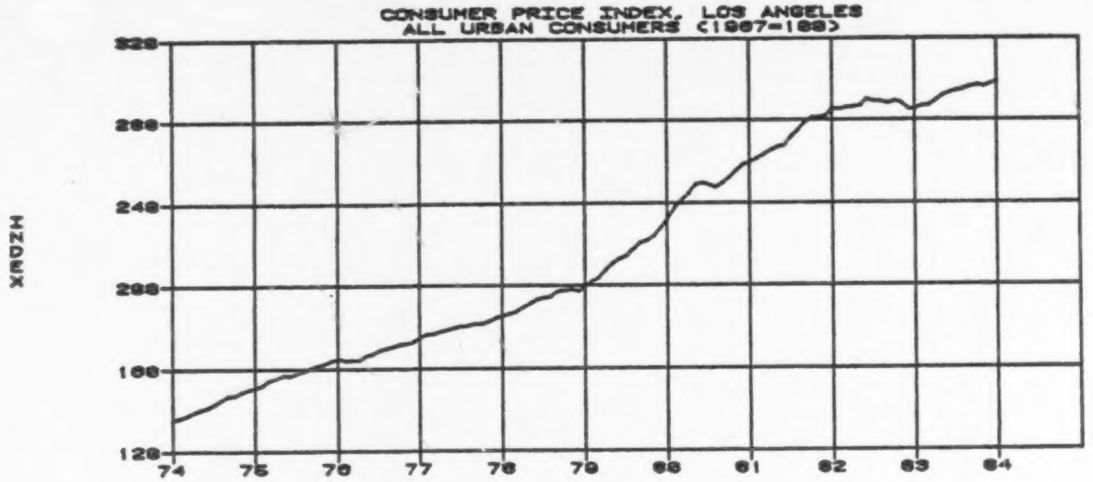
PERSONAL INCOME

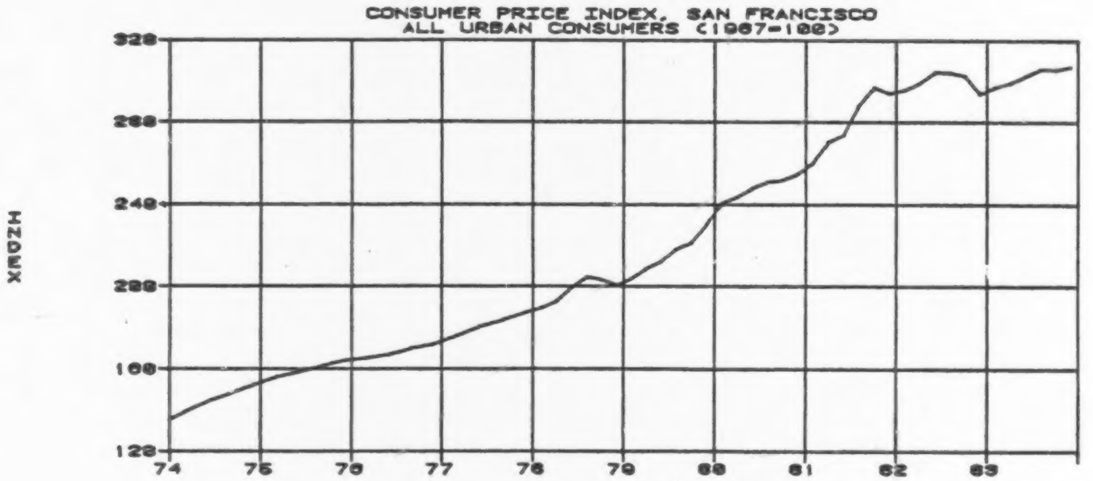


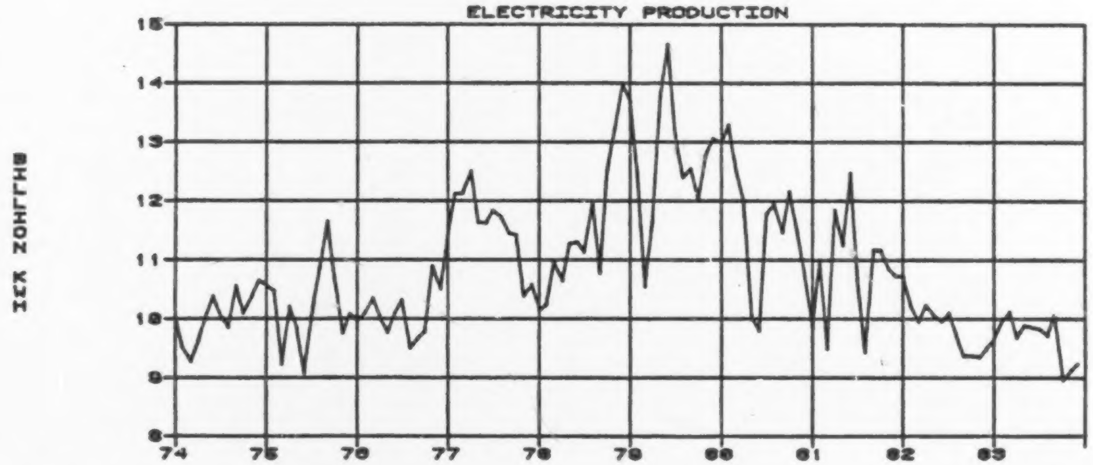
WAGES & SALARIES FROM MINING, MANUFACTURING & CONSTRUCTION



DOD PRIME CONTRACTS


CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)
INDEX
320
280
240
200
160
120
74
75
76
77
78
79
80
81
82
83
84


CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)
INDEX
320
280
240
200
160
120
74
75
76
77
78
79
80
81
82
83


ELECTRICITY PRODUCTION
BILLION KWH
15
14
13
12
11
10
9
8
74
75
76
77
78
79
80
81
82
83

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

	Leading Indicators						
Year and Month	Index of Leading Indicators (1972=100)*	Average Weekly Hours, Manufacturing*	Help Wanted Ads-- Los Angeles Area (thousands)*	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)*	Overtime Hours Manufacturing*	Total Housing Units Authorized (thousands)	New Business Incorporations*
1980							
January	126.9	39.5	152.2	58.4	3.1	172.5	4,888
February	129.5	39.5	158.0	55.8	3.1	193.2	5,238
March	126.7	39.8	150.6	56.9	3.2	131.8	4,469
April	123.6	39.6	135.6	59.5	3.1	112.3	4,548
May	121.4	39.4	120.0	61.8	2.9	92.4	4,257
June	122.8	39.3	128.2	62.2	2.8	117.6	3,863
July	126.1	39.4	126.4	60.3	2.8	150.7	4,586
August	128.0	39.4	125.7	57.8	2.9	150.6	4,545
September	130.2	39.7	127.9	56.9	3.0	179.2	4,697
October	131.1	39.4	129.8	54.4	3.0	162.6	5,499
November	133.2	39.7	140.6	52.7	3.1	155.4	4,628
December	131.8	39.7	130.2	58.0	3.2	145.5	5,093
1981							
January	131.5	39.7	127.2	55.3	3.1	128.8	5,026
February	131.6	39.7	131.5	55.0	2.8	148.2	5,133
March	131.7	39.6	129.7	55.6	3.0	130.9	4,832
April	132.2	39.6	128.4	54.3	2.8	158.5	5,075
May	131.8	39.8	126.5	55.7	3.0	131.0	4,704
June	132.3	39.7	132.1	54.0	3.0	109.5	5,133
July	130.2	39.5	126.6	59.4	3.0	96.2	5,110
August	129.3	39.7	123.1	59.2	3.0	86.3	4,426
September	127.4	39.6	119.1	61.7	3.0	83.6	5,088
October	123.8	39.5	105.7	64.7	2.7	68.1	4,998
November	123.9	39.5	110.0	64.1	2.7	64.5	4,635
December	123.5	39.7	102.1	65.4	2.7	67.7	4,693
1982							
January	122.9	39.7	101.5	63.6	2.6	72.4	4,247
February	121.6	39.4	96.3	64.9	2.6	66.0	4,522
March	120.5	39.3	93.6	68.7	2.5	74.3	4,801
April	119.8	39.2	87.7	76.8	2.6	70.3	4,471
May	121.1	39.3	85.9	68.9	2.6	78.1	4,650
June	119.2	39.3	80.4	72.3	2.5	90.9	4,436
July	118.5	39.3	75.5	73.0	2.5	101.0	4,239
August	116.7	39.2	75.7	75.0	2.4	68.5	4,098
September	117.0	39.0	72.2	77.2	2.3	73.4	4,315
October	118.2	39.1	69.9	74.2	2.3	88.7	4,166
November	119.1	39.0	70.2	77.2	2.4	93.4	4,445
December	120.6	39.0	71.2	74.6	2.4	127.5	4,619
1983							
January	121.7	39.2	72.0	71.9	2.4	130.9	4,440
February	123.8	39.6	72.4	72.7	2.5	141.7	4,558
March	124.8	39.5	75.5	73.9	2.7	116.9	4,644
April	129.2	40.2	78.7	70.1	2.9	160.1	4,579
May	130.0	39.8	85.3	68.1	2.8	167.1	4,675
June	131.5	40.0	85.6	65.5	2.9	208.4	4,478
July	132.4	40.1	91.7	60.2	3.0	157.3	4,360
August	133.5	40.1	93.5	61.4	3.1	174.6	4,692
September	133.8	40.0	94.5	59.3	3.1	158.9	4,574
October	135.0	40.3	99.9	58.2	3.2	145.8	4,554
November	135.7	40.3	101.9	57.8	3.1	186.3	4,841
December	137.3	40.3	105.0	54.6	3.2	215.5	4,713
1984							
January		40.3	112.5	49.5	3.3		5,283

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* Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)*	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate*	Insured Unemployment Average Weeks Claimed (thousands)*	Personal Income (mil dol.)	Taxable Sales (mil dol.)*	Manufacturing Employment (thousands)*
1980							
January	9,820.7		5.9	317			2,026.6
February	9,885.5	45,246	6.1	325	249,467	35,422	2,034.5
March	9,887.8		6.0	336			2,031.4
April	9,857.5		6.9	346			2,017.4
May	9,837.1	45,639	7.2	362	253,922	34,699	2,004.1
June	9,807.1		7.3	387			1,990.7
July	9,774.2		6.9	405			1,983.6
August	9,806.2	46,673	7.4	395	261,523	35,712	1,986.9
September	9,833.2		7.2	412			1,995.1
October	9,891.9		7.1	415			2,006.9
November	9,909.1	49,839	7.4	378	273,398	36,815	2,009.7
December	9,941.1		6.4	388			2,012.3
1981							
January	9,956.7		7.3	353			2,019.6
February	9,953.8	49,015	7.3	371	277,407	37,723	2,018.6
March	9,958.2		7.1	366			2,016.1
April	10,005.0		7.1	356			2,024.2
May	10,022.1	52,018	6.6	344	286,975	39,014	2,031.0
June	10,037.1		6.9	347			2,032.5
July	10,029.4		7.3	356			2,035.6
August	10,025.4	52,807	6.9	365	299,432	39,464	2,030.5
September	10,008.4		7.6	381			2,024.5
October	10,008.3		8.2	383			2,021.1
November	9,965.8	53,787	8.0	407	304,585	38,858	2,005.9
December	9,954.8		8.7	448			2,005.8
1982							
January	9,927.3		8.7	427			1,991.5
February	9,923.5	53,399	8.8	445	304,259	38,538	1,985.8
March	9,900.0		9.3	464			1,980.9
April	9,860.4		9.3	503			1,970.9
May	9,852.8	53,831	9.5	509	310,142	38,309	1,961.1
June	9,836.9		9.5	532			1,952.4
July	9,799.8		10.5	520			1,942.7
August	9,773.3	53,669	10.2	540	312,281	38,354	1,930.4
September	9,772.4		10.3	552			1,924.3
October	9,752.2		10.8	567			1,909.4
November	9,750.2	53,121	11.1	576	316,133	39,293	1,901.7
December	9,744.0		11.1	569			1,897.0
1983							
January	9,798.2		11.0	526			1,902.1
February	9,797.0	53,455	11.0	537	320,112	39,269	1,906.8
March	9,816.3		10.6	539			1,908.4
April	9,854.8		9.8	517			1,913.9
May	9,884.6	55,006	10.4	511	329,067	41,515	1,920.8
June	9,940.5		10.2	491			1,932.5
July	10,057.6		9.3	428			1,945.8
August	10,068.6	56,916	9.6	441	338,264	43,357	1,957.2
September	10,166.9		9.0	398			1,967.2
October	10,210.3		8.5	400			1,981.2
November	10,240.0	59,579	8.4	406	348,647	44,943	1,995.7
December	10,252.7		8.1	371			1,999.7
1984							
January	10,354.6		8.4	371			2,026.0
February	10,383.5		8.0				2,039.8

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* Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.)[b]	Other Indicators Consumer Price Index (1967=100)[c]				Net New S&L Savings[c] (mil dol.)	Electricity Production (mil KWH)*
		San Francisco		Los Angeles			
		Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban		
1980							
January		--	--	235.0	232.6	234	12,978
February	3,462	240.0	240.7	240.0	237.6	106	13,283
March		--	--	243.9	241.3	-536	12,509
April		242.8	243.5	247.8	244.6	-517	11,980
May	3,397	--	--	252.6	249.1	225	10,005
June		247.7	248.0	253.4	250.1	-33	9,787
July		--	--	251.5	248.7	-25	11,722
August	3,602	251.4	251.0	250.1	247.3	210	11,948
September		--	--	251.6	249.6	-87	11,457
October		252.6	251.9	254.9	252.6	310	12,147
November	3,473	--	--	258.4	255.5	-160	11,467
December		255.7	254.9	262.2	258.7	379	10,807
1981							
January		--	--	262.7	259.4	-241	9,831
February	4,197	261.6	260.5	265.0	261.6	-2	11,005
March		--	--	266.5	263.3	-753	9,485
April		270.9	270.3	269.1	265.5	-830	11,847
May	4,057	--	--	270.7	267.3	-44	11,240
June		274.3	274.0	271.7	267.9	-1,539	12,469
July		--	--	276.3	272.2	-1,020	10,626
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,423
September		--	--	282.9	279.3	-541	11,165
October		295.6	297.0	284.9	281.3	667	11,168
November	3,957	--	--	285.5	281.8	-385	10,850
December		292.7	294.0	286.1	282.3	-110	10,717
1982							
January		--	--	289.8	285.6	366	10,728
February	7,338	249.9	295.8	289.4	285.6	333	10,201
March		--	--	290.4	286.6	-181	9,939
April		297.8	298.8	290.5	286.8	-1,085	10,218
May	6,015	--	--	290.6	287.1	-47	10,063
June		303.4	304.6	293.9	290.1	-1,140	9,950
July		--	--	293.0	289.3	-143	10,093
August	5,694	302.8	304.3	292.8	289.1	-412	9,712
September		--	--	291.7	288.2	78	9,365
October		301.3	302.4	292.8	289.5	-615	9,362
November	6,080	--	--	291.6	288.5	779	9,338
December		293.6	293.9	288.0	285.3	3,492	9,486
1983							
January		--	--	288.0	285.6	5,802	9,660
February	6,452	293.9	297.3	290.1	286.8	2,757	9,964
March		--	--	289.6	287.1	1,992	10,112
April		294.7	299.3	290.2	289.5	2,301	9,663
May		--	--	292.1	292.0	2,381	9,883
June		298.6	303.0	292.1	293.6	1,043	9,835
July		--	--	293.2	294.5	2,066	9,820
August		301.6	306.0	293.7	295.2	3,207	9,699
September		--	--	296.7	296.4	3,476	10,079
October		301.4	305.7	299.0	297.0	1,679	8,956
November		--	--	297.8	296.5	273	9,107
December		306.1	307.3	299.9	297.7	2,224	9,241
1984							
January		--	--	297.9	299.1	3,518	

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[a] Annual basis.
[b] Quarterly data.
[c] Not adjusted for seasonal variation.
* Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.
November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

CHRONOLOGY--Continued

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

CHRONOLOGY--Continued

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

1980--Continued

July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

1981--(Continued)

June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

1981--(Continued)

December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

CHRONOLOGY--Continued

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	Maximum rate on VA & FHA mortgages lowered from 13 percent to 12.5 percent.
November 3	Strike against Greyhound Lines Inc. begins.
December 1	FHA mortgage interest rates begin to float. VA rates are still pegged.
December 21	Greyhound strike ends.

1984

January 3	Breakup of AT&T becomes effective.
February 2	Contemporaneous reserve accounting is required by Fed for all but the very small deposit-taking institutions.
March 19	Prime rate raised from 11 percent to 11-1/2 percent.
March 20	Maximum rate on VA loans raised from 12-1/2 to 13 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian Employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-1982

Initial Trough	Peak	Terminal Trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981	November 1982	12	16	28

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CALIFORNIA ECONOMIC INDICATORS

May 1984

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1974 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

FR:3174J1

The California economy is continuing to show solid improvement as it moves into the second year of recovery. Employment is expanding and the jobless rate is falling. Retail sales are strong while price increases are moderate. Construction activity remains encouraging despite 13+ percent conventional mortgage rates. Overall, the California economy is in a position to grow steadily throughout the year.

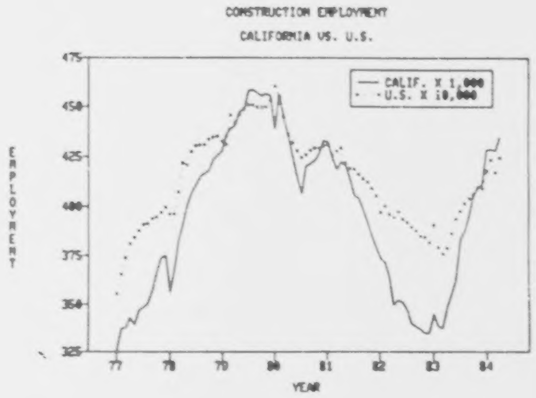
The State unemployment rate dropped to the lowest level since September 1981. The April rate for California was 7.7 percent, compared to the national rate of 7.8 percent. At the same time, the number of Californians unemployed in April fell 7.0 percent. This decline came on the heels of a 4.4 percent increase in March and a 5.9 percent decrease in February. Such ratchet like movement is not unusual in an expanding economy. Job growth almost never matches the exact rate people enter the labor force. Although the number of jobless have grown in four of the last twelve months, there are 246,000 fewer Californians out of work in April this year than last year.

Just as total unemployment is falling, so too is the number of new jobless. Initial claims for unemployment insurance benefits fell 7.1 percent in March. The 49,061 newly unemployed was the smallest number in 4-1/2 years, indicative of an improving economy.

Both civilian employment and nonagricultural wage and salary employment reached new all time highs in April; civilian employment for the second straight month and nonagricultural employment for the tenth. Civilian employment grew by 79,000, to a total of 11,504,000. Nonagricultural industries saw 26,300 new jobs filled, bringing wage and salary employment to 10,460,900. The major differences between the two employment series are that civilian employment includes both the self-employed and agricultural employees and nonagricultural wage and salary employment is reported by industry.

Among the different industry groups, transportation and utilities (TU) and government are showing employment declines, while construction is experiencing the greatest employment gains. Job growth in the other industries is roughly equivalent to the overall nonagricultural employment trend. As noted in the previous Indicators, the breakup of AT&T caused a permanent downward shift in TU employment in January. Since then, TU employment has fallen by an additional 0.5 percent. Federal Government employment fell 0.2 percent in both March and April, while state and local governments have seen a net increase of only 200 employees during the last year.

More than offsetting the weakness in TU and government is the strong rebound in construction employment. As shown in the figure below, California's construction industry was much more severely impacted by the recession than the Nation as a whole. After peaking at 458,600 in August 1979, construction employment in California bottomed out 40 months later at 334,500, a drop of more than 27 percent. This is compared to the 22.5 percent decline nationally over a 38-month period. What is remarkable, however, is the strong snapback in jobs since the December 1982 trough. In only 16 months, California's construction industry has refilled over 3/4 of the jobs lost during the recession. Although this very high rate of employment growth obviously cannot continue much longer, it is quite possible that the construction industry will see employment approach its prerecessionary level before the end of this year.



Residential construction activity remains at a fairly brisk pace considering the relatively high conventional mortgage rates being offered. New residential building permits authorized in February were at a 188.0 rate, up 7.9 percent from January and 32.7 percent from the prior year's amount. At the same time, the effective commitment rate on 30-year, 25 percent down, fixed-rate mortgages in the three major metropolitan areas in the State ranged from 13-1/3 to 13-2/3 percent. These rates were greater than the psychologically important 13 percent barrier, above which housing demand tends to drop sharply. However, the growing acceptance by consumers of adjustable rate mortgages (which have rates as much as two percentage points below those for conventional mortgages) was enough to bring the effective rate for all loans closed in February and March into the 11.75 to 12.10 percent range. Indeed, these lower rates, combined with a large

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amount of pent-up consumer demand, were enough to push the value of mortgage loans closed in California by savings and loan associations in March to an all time high of $4,971 million.

Unlike the residential construction industry, nonresidential construction did not experience a severe drop off in activity during the recession. Consequently, the market for commercial office space is not characterized by a shortage of supply. Indeed, according to Coldwell Banker, downtown office vacancy rates in California for the first quarter of 1984 ranged from 6.9 percent in San Francisco to 23.0 percent in Sacramento. The national rate was 13.1 percent. Part of the reason for the high downtown vacancy rates in Sacramento and San Diego, and to a lesser extent the other surveyed cities, is the trend towards more suburban commercial development. There are also a number of commercial projects just being completed in these areas which also pushed up the vacancy rate.

Despite the renewed level of economic activity in the State, the inflation rate remains moderate. The consumer price indexes for April show an overall year-to-year change of 5.0 percent for California overall, with Los Angeles and San Francisco posting gains of 4.6 and 5.5 percent respectively. In comparison, the national rate was 4.5 percent. The cost of shelter has once again become the CPI component exerting the most upwards pressure. Although shelter costs are not out of control, the double-digit rates posted in San Diego are a source of concern. On the bright side, medical costs are continuing to rise at a slower rate than the all items average.

Preliminary estimates of California personal income for the first quarter of 1984 and revised data for the third and fourth quarters of 1983 have been released by the Department of Finance. The revisions to the third quarter estimates were relatively small and resulted in a net reduction of $1 billion, or 0.3 percent, from the prior estimate. The revisions to the fourth quarter, however, were substantial. The availability of additional and more complete data led to a downward revision in most income components. These declines, in turn, led to a 2 percent net reduction in the fourth quarter personal income estimate--a reduction of nearly $7 billion.

More interesting than the direction and magnitude of the California personal income revisions, however, is the unusual quarterly pattern that is developing. For some as of yet unknown reason, wage and salary income growth slowed significantly in the fourth quarter last year. A number of explanations are possible:

- o fewer-than-usual cost-of-living adjustments, due to the small rise in the CPI over the past year;
- o an increased proportion of part time workers in the economy;
- o rehiring at an entry-level, or lower average wage; and
- o atypical seasonal patterns.

Any of these situations could have contributed to the unexpected softening.

The California index of leading economic indicators slipped 0.1 percent in February to 139.4 (1972=100). The last time the index fell was August 1982. The slight pause in the index's growth was not unusual nor a source of concern. Often a series showing overall growth will soften one month, only to come back even stronger the next. Four of the eight components of the index improved in February, while three weakened and one was unchanged. Despite the one-month decline in the index, the outlook for the California economy is for continued steady growth throughout the year.

Quarter to Quarter Percent Changes in
Selected California Personal Income Components
(Seasonally adjusted, annual rate)

	1983				1984
	I	II	III	IV	I
Total Personal Income	5.3%	11.5%	10.4%	5.3%	12.3%
Wages and Salaries	5.8	13.4	11.6	2.7	10.9
Other Labor Income	18.8	19.8	20.2	8.7	16.0
Proprietors' Income	31.2	36.3	25.8	9.6	46.1
Property Income	-2.5	1.0	13.0	11.5	14.9
Transfer Payments	5.6	6.5	-6.2	5.1	7.9
Less: Contributions for Social Insurance	17.3	9.8	8.6	0.4	27.0

CURRENT CALIFORNIA ECONOMIC DATA

	1984				1983		Percent Change March 1983-March 1984
	March	February	January	December	March	February	
Employment[a]							
Civilian employment (000)	11,425	11,380	11,350	11,388	10,959	10,918	4.3
Unemployment (000)	1,026	983	1,045	1,001	1,294	1,356	-20.7
Unemployment rate	8.2	8.0	8.4	8.1	10.6	11.0	--
Nonagricultural wage and salary employment[b] (000)	10,434.6	10,408.0	10,381.2	10,279.7	9,816.3	9,797.0	6.3
Mining	49.8	49.1	49.3	49.3	47.2	47.6	5.5
Construction	428.0	428.7	428.2	410.6	337.2	338.7	26.9
Manufacturing	2,031.5	2,032.7	2,021.3	1,994.5	1,908.4	1,906.8	6.5
Aerospace[c]	681.8	680.9	672.9	671.8	650.9	647.9	4.7
Transportation and public utilities	529.4	528.8	530.5	554.5	538.4	537.3	-1.7
Trade	2,495.3	2,477.8	2,470.8	2,419.1	2,302.3	2,292.1	8.4
Finance, insurance, and real estate	694.8	695.0	691.1	687.3	647.5	645.7	7.3
Services	2,479.1	2,469.8	2,463.1	2,439.3	2,311.0	2,304.3	7.3
Government	1,726.7	1,726.1	1,726.9	1,725.1	1,724.3	1,724.5	0.1
Federal	332.2	332.9	330.8	329.5	328.7	327.6	1.1
State and local	1,394.5	1,393.2	1,396.1	1,395.6	1,395.6	1,396.9	-0.1
Hours and Earnings, Manufacturing							
Average weekly hours	40.3	40.1	40.2	41.1	39.4	39.3	2.3
Average weekly earnings	$388.90	$385.36	$386.72	$395.79	$371.54	$369.03	4.7
Average hourly earnings	$9.65	$9.61	$9.62	$9.63	$9.43	$9.39	2.3
Index of Leading Indicators	n.a.	139.4	139.6	137.3	124.8	123.8	n.a.
Trade							
Retail sales (millions)	n.a.	$11,389	$11,457	$15,418	$11,229	$9,607	n.a.
New auto registrations (number)	104,543[1]	93,614	95,834	96,241	86,328	62,661	21.1
New Incorporations (number)	n.a.	4,741	4,787	4,692	4,699	3,838	n.a.
Consumer Price Index, all items[d]							
California average (1967=100)	--	307.9	--	304.6	--	293.2	--
San Francisco (1967=100)	--	311.7	--	307.3	--	297.3	--
Los Angeles (1967=100)	300.7	300.2	299.1	297.7	287.1	286.8	4.7
San Diego (1967=100)	349.8	--	346.6	--	327.5	--	6.8
Production							
Petroleum (000 barrels daily)	n.a.	n.a.	1,112.7	1,107.4	1,084.9	1,100.5	n.a.
Portland cement (000 short tons)	767.5	683.3	659.2	609.6	450.0	397.2	70.6
Raw steel (000 net tons)	n.a.	33,955	32,492	27,688	81,604	66,563	n.a.
Selected redwood mill production (mil. FBM)	n.a.	64.42	62.11	71.28	77.58	87.16	n.a.
Construction							
Private residential housing units authorized, SAAR (000)	n.a.	188.0	174.2	215.5	116.9	141.7	n.a.
Nonresidential building authorized, valuation (millions)	n.a.	$795.0	$720.8	$798.4	$638.7	$535.1	n.a.

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series. New basis since January 1983.

[1] Incomplete, subject to late processing.

[r] Revised.

n.a. Not available

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ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

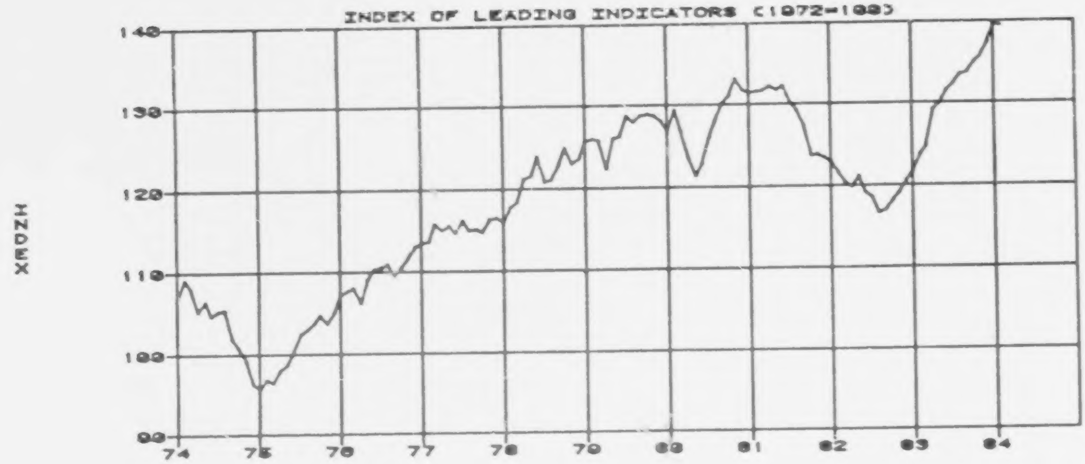
Taxable Sales

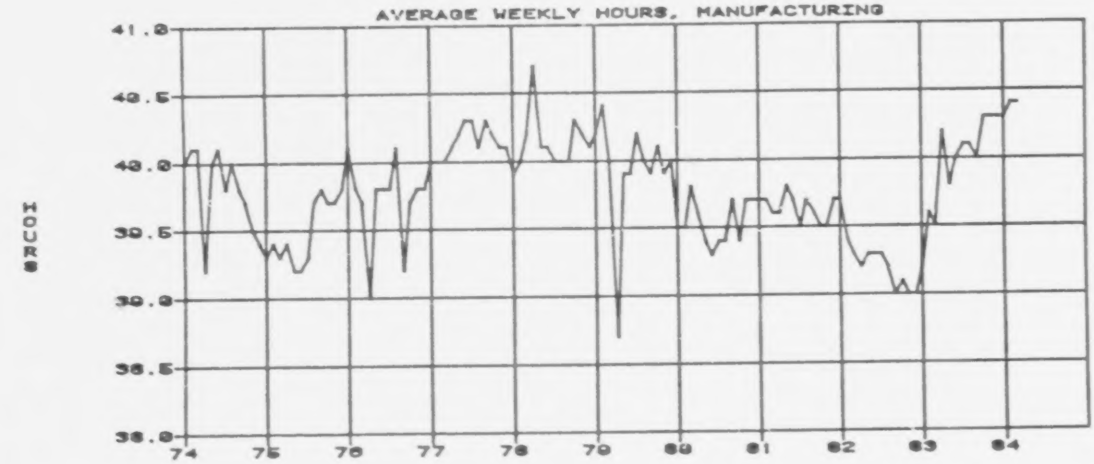
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

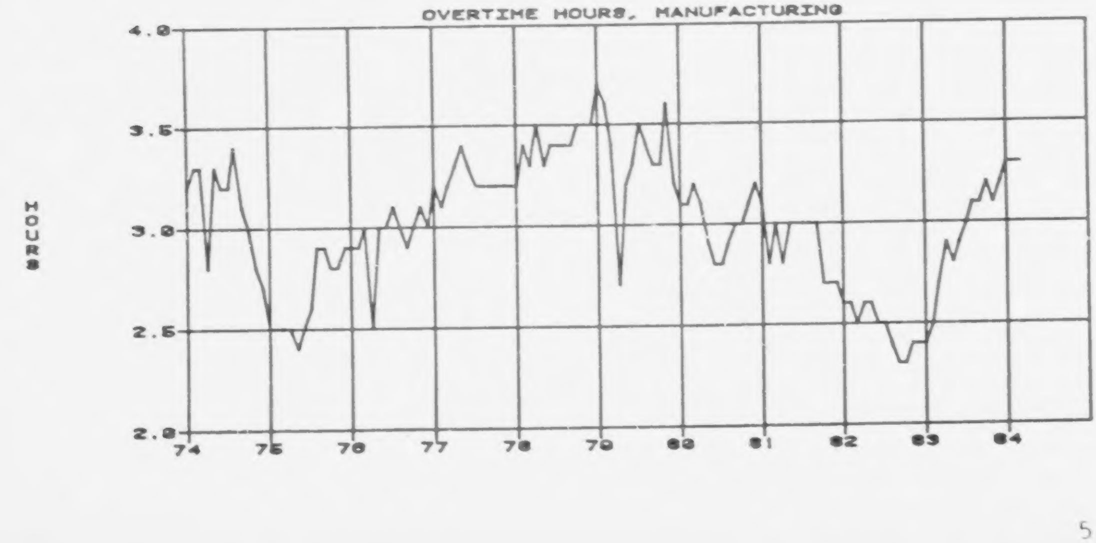
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

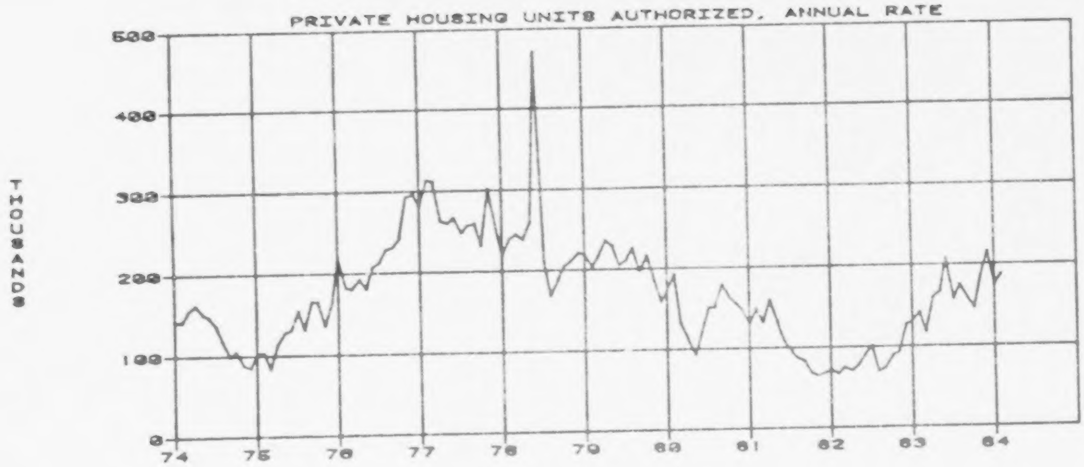
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

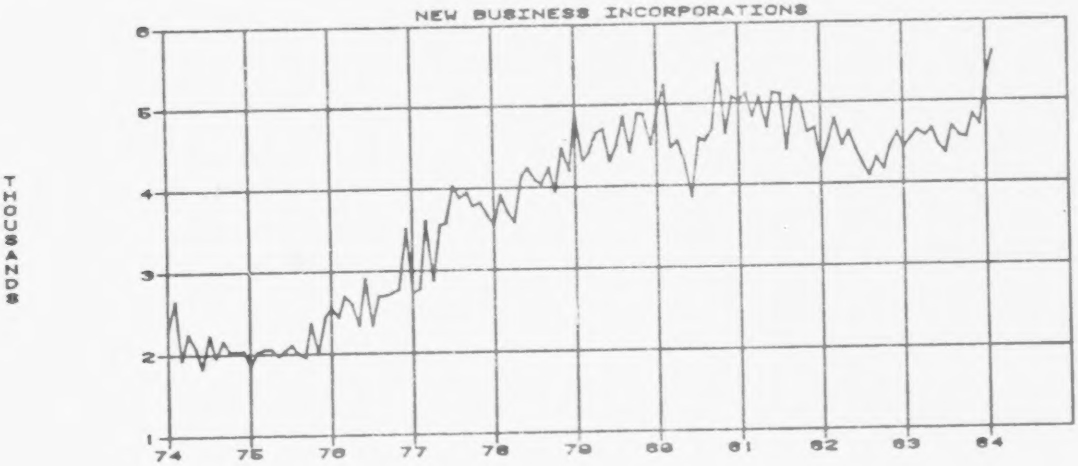

INDEX OF LEADING INDICATORS (1972=100)


AVERAGE WEEKLY HOURS, MANUFACTURING

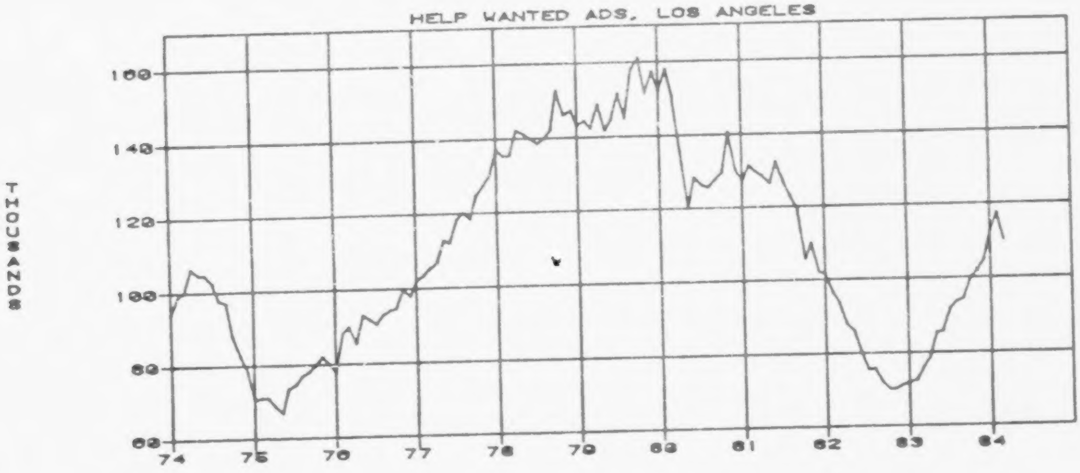

OVERTIME HOURS, MANUFACTURING



PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL RATE

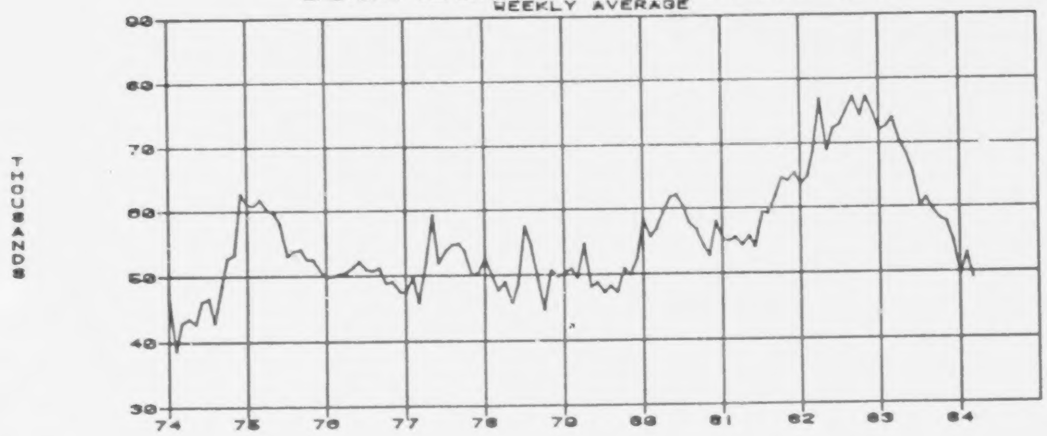


NEW BUSINESS INCORPORATIONS

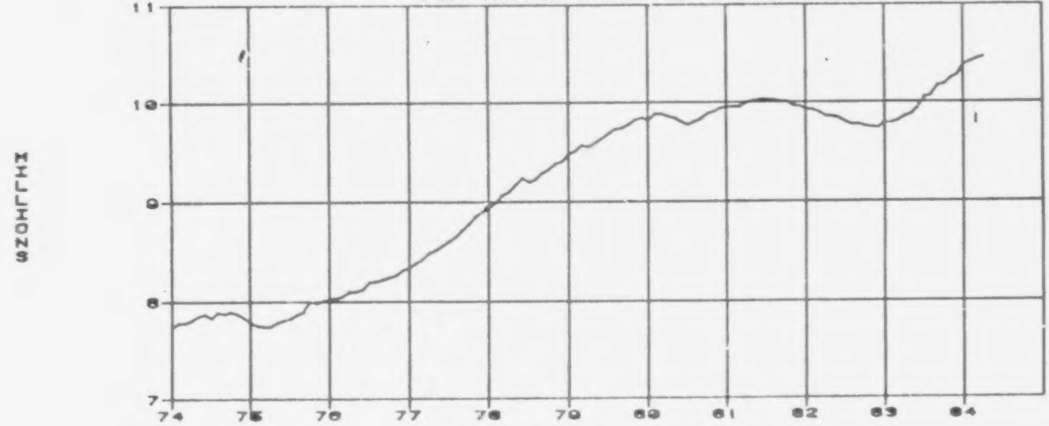


HELP WANTED ADS, LOS ANGELES

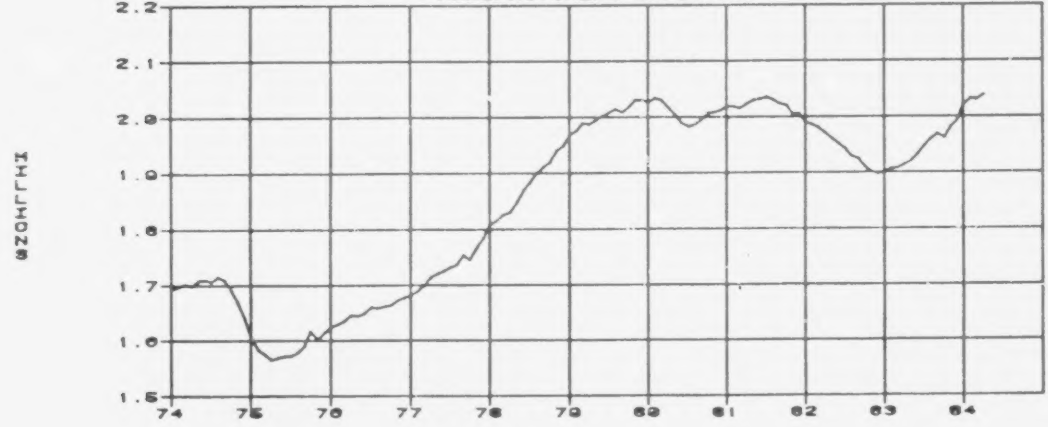
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE, WEEKLY AVERAGE

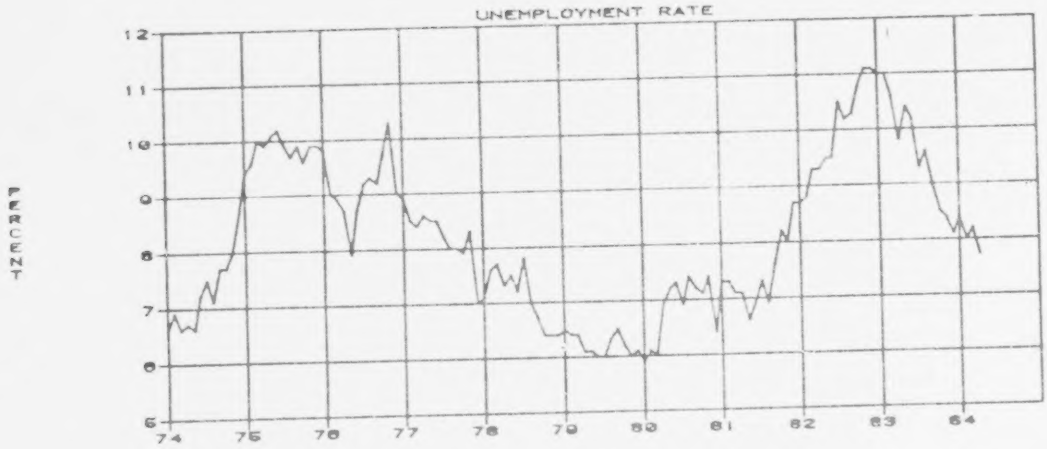


NONAGRICULTURAL EMPLOYMENT



MANUFACTURING EMPLOYMENT




UNEMPLOYMENT RATE
PERCENT
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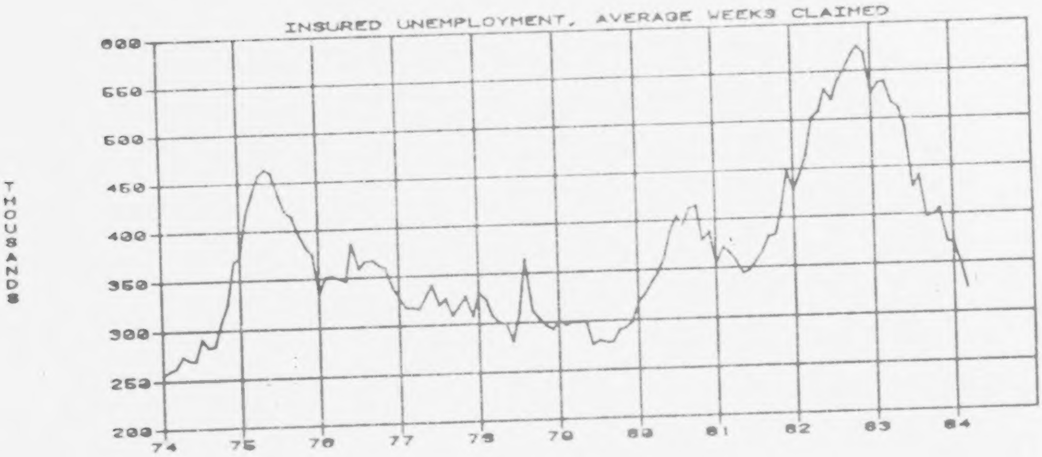
84


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
THOUSANDS
600
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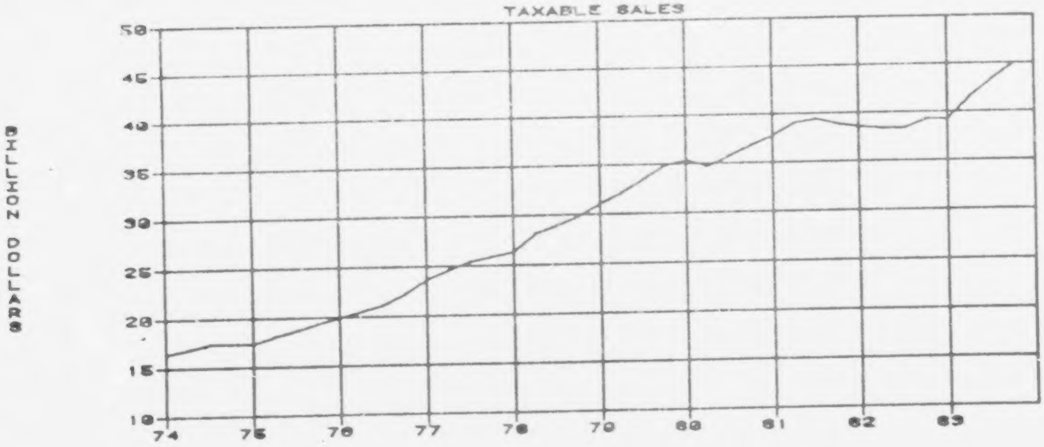
TAXABLE SALES
BILLION DOLLARS
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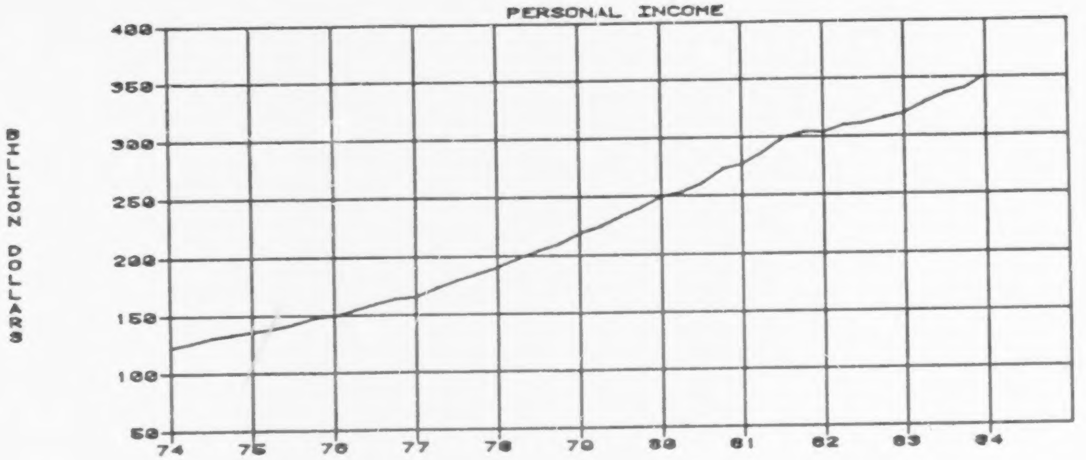
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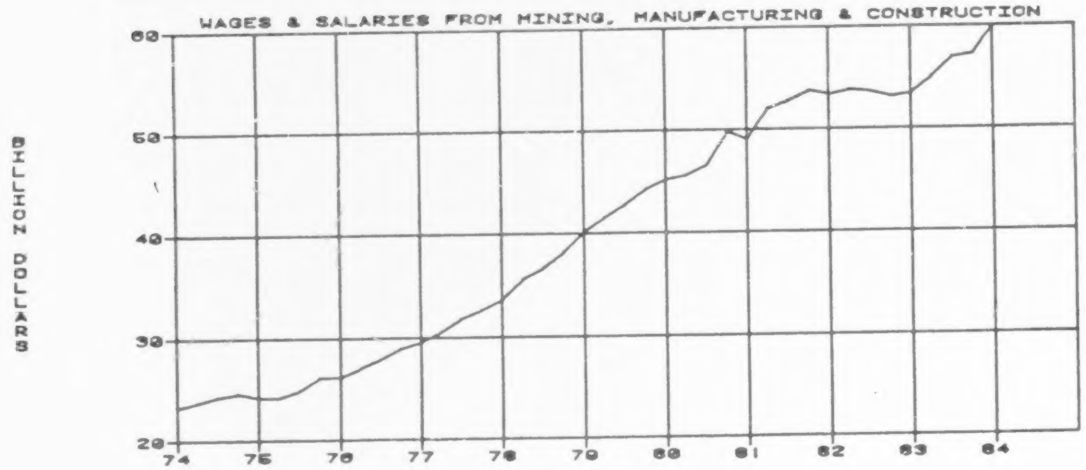
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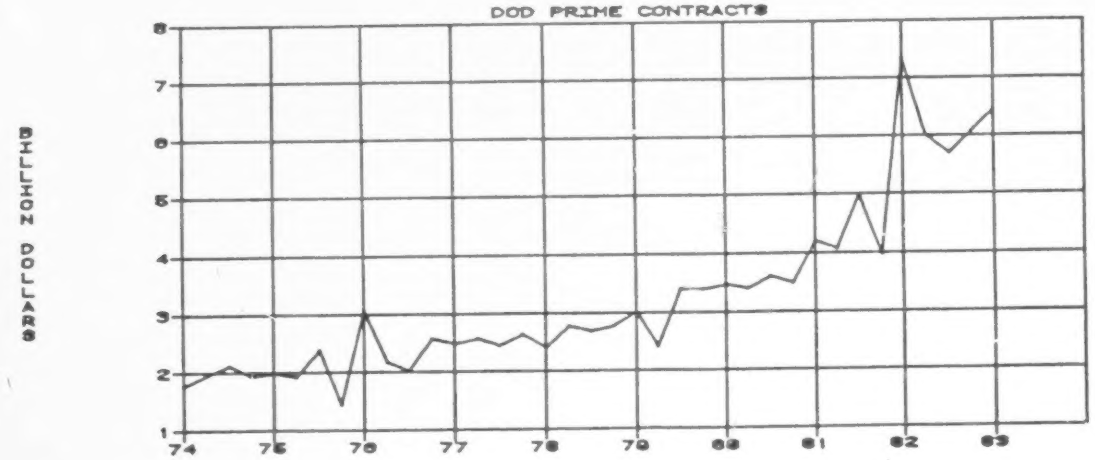
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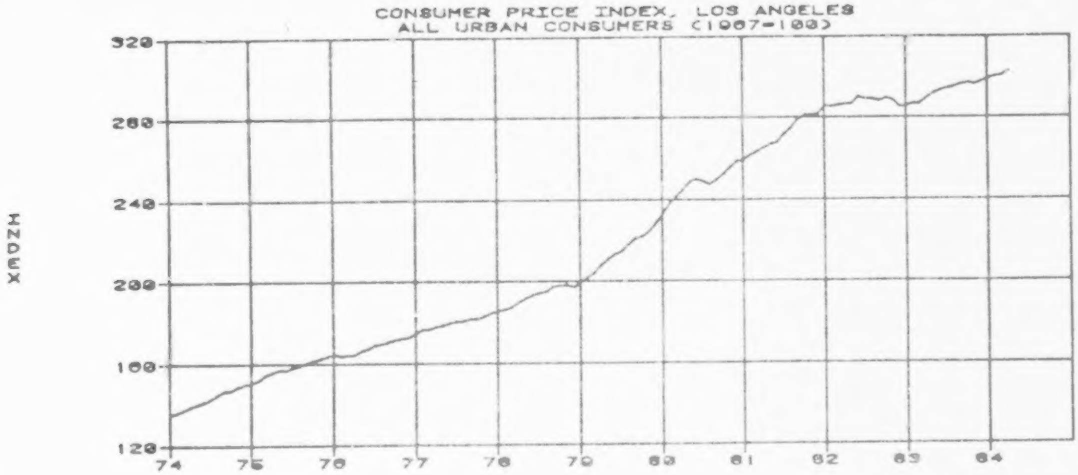
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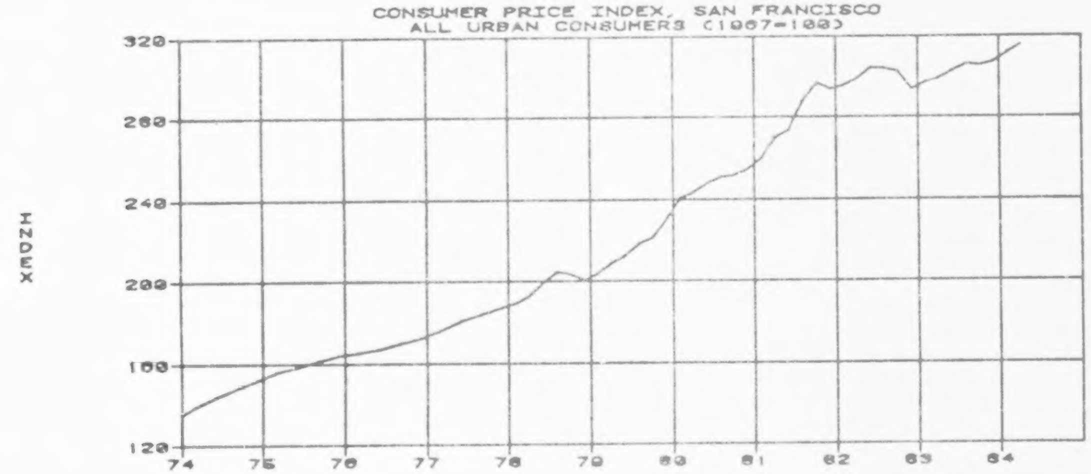
ALL URBAN CONSUMERS (1967=100)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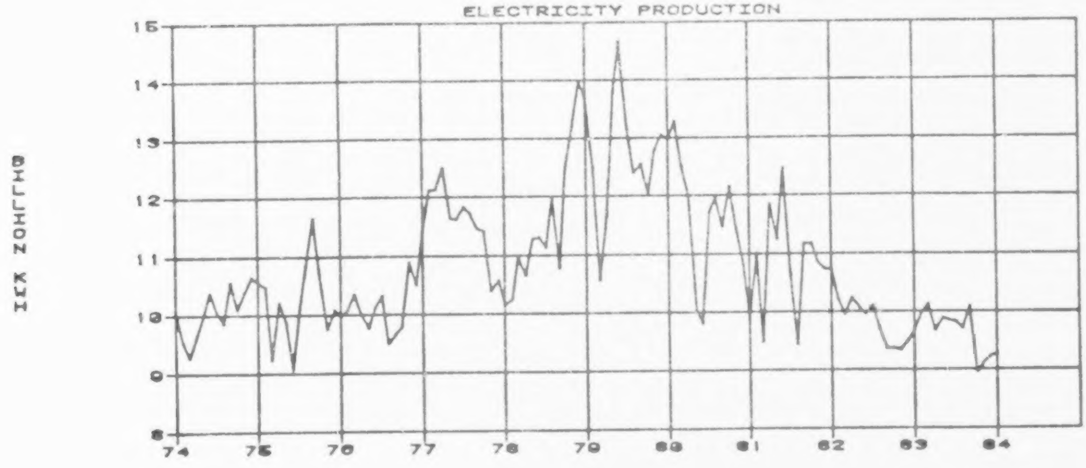
ELECTRICITY PRODUCTION

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

	Leading Indicators						
Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads--Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1980							
July	126.1	39.4	126.4	60.3	2.8	150.7	4,586
August	128.0	39.4	125.7	57.8	2.9	150.6	4,545
September	130.2	39.7	127.9	56.9	3.0	179.2	4,697
October	131.1	39.4	129.8	54.4	3.0	162.6	5,499
November	133.2	39.7	140.6	52.7	3.1	155.4	4,628
December	131.8	39.7	130.2	58.0	3.2	145.5	5,093
1981							
January	131.5	39.7	127.2	55.3	3.1	128.8	5,026
February	131.6	39.7	131.5	55.0	2.8	148.2	5,133
March	131.7	39.6	129.7	55.6	3.0	130.9	4,832
April	132.2	39.6	128.4	54.3	2.8	158.5	5,075
May	131.8	39.8	126.5	55.7	3.0	131.0	4,704
June	132.3	39.7	132.1	54.0	3.0	109.5	5,133
July	130.2	39.5	126.6	59.4	3.0	96.2	5,110
August	129.3	39.7	123.1	59.2	3.0	86.3	4,426
September	127.4	39.6	119.1	61.7	3.0	83.6	5,088
October	123.8	39.5	105.7	64.7	2.7	68.1	4,998
November	123.9	39.5	110.0	64.1	2.7	64.5	4,635
December	123.5	39.7	102.1	65.4	2.7	67.7	4,693
1982							
January	122.9	39.7	101.5	63.6	2.6	72.4	4,247
February	121.6	39.4	96.3	64.9	2.6	66.0	4,522
March	120.5	39.3	93.6	68.7	2.5	74.3	4,801
April	119.8	39.2	87.7	76.8	2.6	70.3	4,471
May	121.1	39.3	85.9	68.9	2.6	78.1	4,650
June	119.2	39.3	80.4	72.3	2.5	90.9	4,436
July	118.5	39.3	75.5	73.0	2.5	101.0	4,239
August	116.7	39.2	75.7	75.0	2.4	68.5	4,098
September	117.0	39.0	72.2	77.2	2.3	73.4	4,315
October	118.2	39.1	69.9	74.2	2.3	88.7	4,166
November	119.1	39.0	70.2	77.2	2.4	93.4	4,445
December	120.6	39.0	71.2	74.6	2.4	127.5	4,619
1983							
January	121.7	39.2	72.0	71.9	2.4	130.9	4,440
February	123.8	39.6	72.4	72.7	2.5	141.7	4,558
March	124.8	39.5	75.5	73.9	2.7	116.9	4,644
April	129.2	40.2	78.7	70.1	2.9	160.1	4,579
May	130.0	39.8	85.3	68.1	2.8	167.1	4,675
June	131.5	40.0	85.6	65.5	2.9	208.4	4,478
July	132.4	40.1	91.7	60.2	3.0	157.3	4,360
August	133.5	40.1	93.5	61.4	3.1	174.6	4,692
September	133.8	40.0	94.5	59.3	3.1	158.9	4,574
October	135.0	40.3	99.9	58.2	3.2	145.8	4,554
November	135.7	40.3	101.9	57.8	3.1	186.3	4,841
December	137.3	40.3	105.0	54.6	3.2	215.5	4,713
1984							
January	139.6	40.3	112.5	49.5	3.3	174.2	5,283
February	139.4	40.4	117.4	52.8	3.3	188.0	5,617
March		40.4	110.0	49.1	3.3		

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
1980							
July	9,774.2		6.9	405			1,983.6
August	9,806.2	46,673	7.4	395	261,523	35,712	1,986.9
September	9,833.2		7.2	412			1,995.1
October	9,891.9		7.1	415			2,006.9
November	9,909.1	49,839	7.4	378	273,398	36,815	2,009.7
December	9,941.1		6.4	388			2,012.3
1981							
January	9,956.7		7.3	353			2,019.6
February	9,953.8	49,015	7.3	371	277,407	37,723	2,018.6
March	9,958.2		7.1	366			2,016.1
April	10,005.0		7.1	356			2,024.2
May	10,022.1	52,018	6.6	344	286,975	39,014	2,031.0
June	10,037.1		6.9	347			2,032.5
July	10,029.4		7.3	356			2,035.6
August	10,025.4	52,807	6.9	365	299,432	39,464	2,030.5
September	10,008.4		7.6	381			2,024.5
October	10,008.3		8.2	383			2,021.1
November	9,965.8	53,787	8.0	407	304,585	38,858	2,005.9
December	9,954.8		8.7	448			2,005.8
1982							
January	9,927.3		8.7	427			1,991.5
February	9,923.5	53,399	8.8	445	304,259	38,538	1,985.8
March	9,900.0		9.3	464			1,980.9
April	9,860.4		9.3	503			1,970.9
May	9,852.8	53,831	9.5	509	310,142	38,309	1,961.1
June	9,836.9		9.5	532			1,952.4
July	9,799.8		10.5	520			1,942.7
August	9,773.3	53,669	10.2	540	312,281	38,354	1,930.4
September	9,772.4		10.3	552			1,924.3
October	9,752.2		10.8	567			1,909.4
November	9,750.2	53,121	11.1	576	316,133	39,293	1,901.7
December	9,744.0		11.1	569			1,897.0
1983							
January	9,798.2		11.0	526			1,902.1
February	9,797.0	53,455	11.0	537	320,224 r/	39,269	1,906.8
March	9,816.3		10.6	539			1,908.4
April	9,854.8		9.8	517			1,913.9
May	9,884.6	55,006	10.4	511	329,027 r/	41,515	1,920.8
June	9,940.5		10.2	491			1,932.5
July	10,056.5r/		9.3	428			1,948.0r/
August	10,067.4r/	56,940 r/	9.6	441	337,299 r/	43,357	1,959.6r/
September	10,165.6r/		9.0	398			1,969.5r/
October	10,186.1r/		8.5	400			1,963.3r/
November	10,238.7r/	57,291 r/	8.4	406	341,720 r/	44,943	1,981.4r/
December	10,279.7r/		8.1	371			1,994.3r/
1984							
January	10,381.2r/		8.4	371			2,021.3r/
February	10,408.0r/	59,934	8.0	348	351,758		2,032.7r/
March	10,434.6		8.2	324			2,031.5
April	10,460.9		7.7				2,039.3

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BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
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July	9,774.2		6.9	405			1,983.6
August	9,806.2	46,673	7.4	395	261,523	35,712	1,986.9
September	9,833.2		7.2	412			1,995.1
October	9,891.9		7.1	415			2,006.9
November	9,909.1	49,839	7.4	378	273,398	36,815	2,009.7
December	9,941.1		6.4	388			2,012.3
1981							
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February	9,953.8	49,015	7.3	371	277,407	37,723	2,018.6
March	9,958.2		7.1	366			2,016.1
April	10,005.0		7.1	356			2,024.2
May	10,022.1	52,018	6.6	344	286,975	39,014	2,031.0
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August	10,025.4	52,807	6.9	365	299,432	39,464	2,030.5
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November	9,965.8	53,787	8.0	407	304,585	38,858	2,005.9
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March	9,900.0		9.3	464			1,980.9
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February	9,797.0	53,455	11.0	537	320,224 r/	39,269	1,906.8
March	9,816.3		10.6	539			1,908.4
April	9,854.8		9.8	517			1,913.9
May	9,884.6	55,006	10.4	511	329,027 r/	41,515	1,920.8
June	9,940.5		10.2	491			1,932.5
July	10,056.5r/		9.3	428			1,948.0r/
August	10,067.4r/	56,940 r/	9.6	441	337,299 r/	43,357	1,959.6r/
September	10,165.6r/		9.0	398			1,969.5r/
October	10,186.1r/		8.5	400			1,963.3r/
November	10,238.7r/	57,291 r/	8.4	406	341,720 r/	44,943	1,981.4r/
December	10,279.7r/		8.1	371			1,994.3r/
1984							
January	10,381.2r/		8.4	371			2,021.3r/
February	10,408.0r/	59,934	8.0	348	351,758		2,032.7r/
March	10,434.6		8.2	324			2,031.5
April	10,460.9		7.7				2,039.3

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CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.* Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

1980--Continued

July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from \$3.10 to \$3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

1981--(Continued)

June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent. Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent. Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent. FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

1981--(Continued)

December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

CHRONOLOGY--Continued

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	Maximum rate on VA & FHA mortgages lowered from 13 percent to 12.5 percent.
November 3	Strike against Greyhound Lines Inc. begins.
December 1	FHA mortgage interest rates begin to float. VA rates are still pegged.
December 21	Greyhound strike ends.

1984

January 3	Breakup of AT&T becomes effective.
February 2	Contemporaneous reserve accounting is required by Fed for all but the very small deposit-taking institutions.
March 19	Prime rate raised from 11 percent to 11-1/2 percent.
March 20	Maximum rate on VA loans raised from 12-1/2 to 13 percent.

1984 (Continued)

April 4	Prime rate raised from 11-1/2 percent to 12 percent.
April 9	Discount rate raised from 8-1/2 percent to 9 percent; the first change in 3 years.
May 5	Prime rate raised from 12 percent to 12-1/2 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian Employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-1982

Initial Trough	Peak	Terminal Trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981	November 1982	12	16	28

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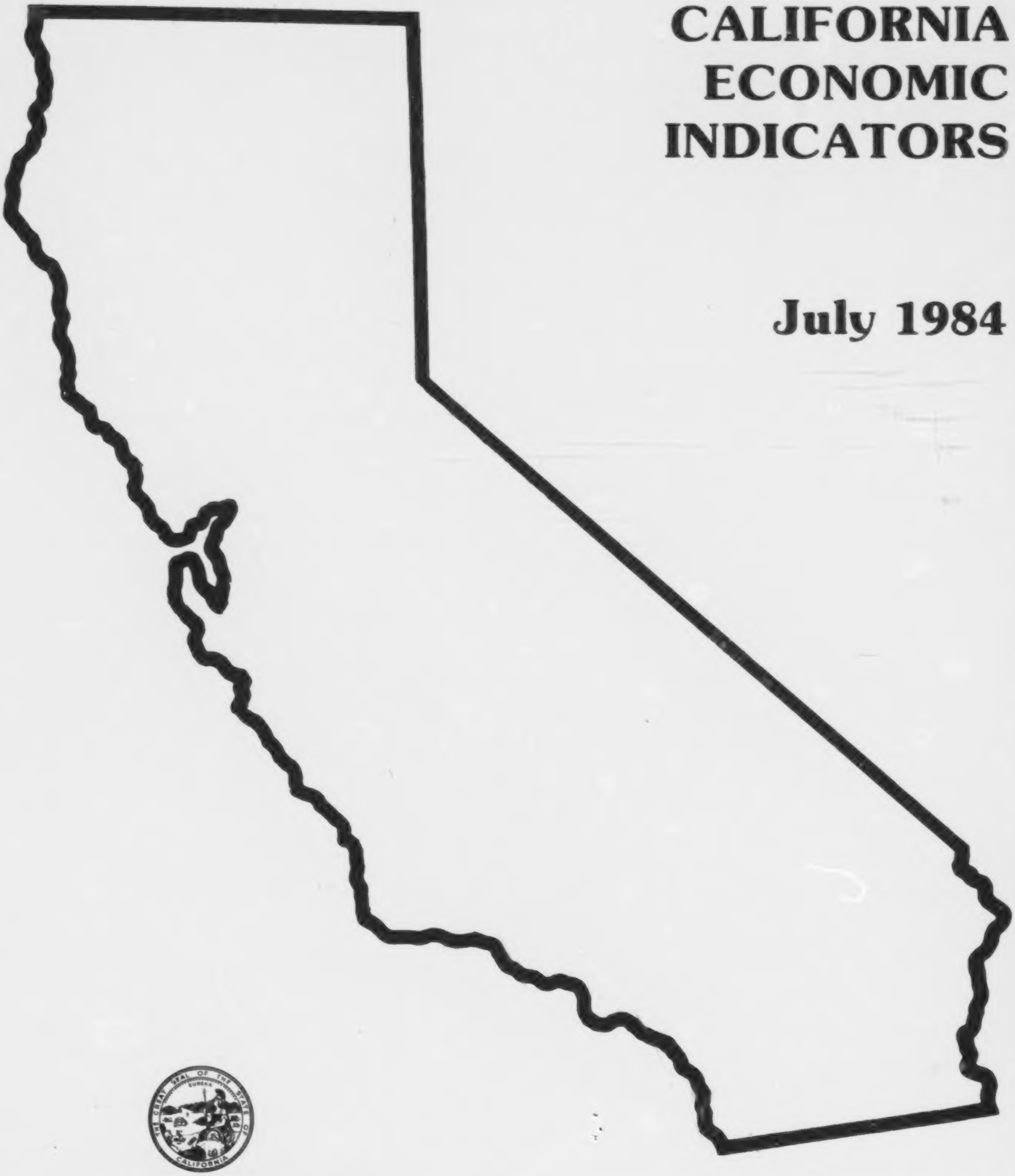
CALIFORNIA ECONOMIC INDICATORS

July 1984



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1974 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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REVIEW OF ECONOMIC DEVELOPMENTS

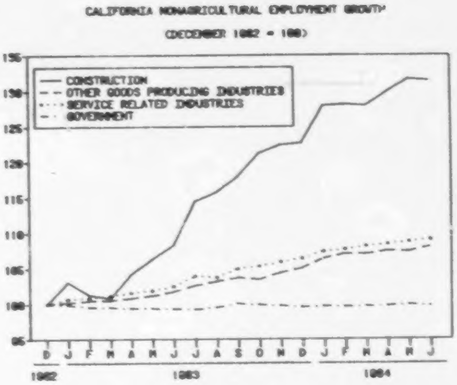
The California economy is continuing to expand at a healthy pace. Employment is climbing, consumer confidence remains firm, and the jobless rate is falling. The outlook for the state is for steady growth well into the months ahead.

The State unemployment rate fell to the lowest level in nearly three years in June. The 7.5 percent rate was the lowest since August 1981, when the rate stood at 6.9 percent. Nationally, the unemployment rate fell to 7.1 percent of the civilian labor force. Concurrently, the number of people unemployed continued to follow a ratchet-like pattern in June. The 9,000 decline in the number of jobless Californians follows a moderate jump in May and a strong drop in April. In fact, in the last six months, the number of Californians unemployed increased in three of the months and decreased in the other three. Over that same time span, however, there was an overall decrease of 4.4 percent in the number of jobless.

Both total civilian and nonagricultural wage and salary employment continued to achieve new record levels in June; civilian employment for the fourth straight month and nonagricultural employment for the twelfth. Civilian employment grew 1.8 percent to 11,726,000 in June; while nonagricultural industries posted a 0.3 percent increase to 10,521,500. Nationally, civilian and nonagricultural employment rose 0.4 percent and 0.3 percent respectively. Since the beginning of the recovery in December 1982, civilian employment has averaged a 4.8 percent annual rate of growth; nonagricultural industries have been hiring at a 5.3 percent rate. The major definitional difference between the two series is that civilian employment is a person count which includes the self-employed and agricultural employees, and nonagricultural wage and salary employment is a job count that is also reported by industry.

Within the different industry groups, government employment continues to show little change, while construction is still growing at the most impressive rate. The following graph shows the growth in employment for construction, the other goods producing industries, the service related industries, and government since the December 1982 employment trough.

Government employment has eased slightly over the past 18 months -- one-month gains in State and local government tend to be offset by losses in Federal employment, and vice versa. The 4,800 net decrease in government jobs since December 1982 is equivalent to a 0.2 percent average annual rate of decline.



Construction employment, on the other hand, continues to grow at a very heady rate. Since the recessionary trough, job growth in construction has run at a 20.0 percent rate. Despite the strong showing, however, the 105,200 employment increase over the last 18 months accounts for less than 14 percent of total nonagricultural employment growth.

Mining and manufacturing -- the other goods producing industries -- have followed the total nonagricultural trend fairly closely. Between them, they contributed one fifth of the new jobs created since the recession ended. The source of most of the new nonagricultural wage and salary jobs, however, is a group growing only slightly faster than the overall trend. The service related industries (i.e., transportation and public utilities, trade, the finance group, and services) have been filling jobs at a 6.0 percent annual rate. Yet the 519,300 increase in service related employment accounts for two-thirds of all nonagricultural employment growth since the recessionary trough.

The outlook for the next twelve months is for employment growth to slow some as the economy matures. Jobs are expected to be created at a 3 to 4 percent rate in most industries -- the exception being the one percent rate foreseen for government.

Residential construction activity is showing some resistance to rising mortgage rates. New housing units authorized by permits in April fell 6.0 percent, to a 230,000 annual rate. Nonetheless, permit authorization for the first four months of 1984 was at the highest rate since the four month period ending September 1978. Back then, the commitment rate for conventional mortgages was 9.8 percent, a bargain compared to April's 13.8 percent.

Continued use of adjustable rate mortgages (ARMs) is a major reason that permit activity has been able to maintain its current level. These mortgages, with initial rates 2.0 to 2.5 percentage points lower than those for fixed rate loans, accounted for 62 percent of all mortgages closed nationwide in May, and their share of the total continues to rise. Indeed, the lower initial rates for ARMs, combined with continued growth in employment and real incomes, mean more households are able to qualify for a home purchase. This, coupled with still significant pent-up consumer demand, was enough to push the value of mortgage loans closed in California by savings and loan associations in May to yet another all time high of $5,856 million.

Nonresidential construction is starting to show signs of real strength. The value of nonresidential building permits authorized in April surged 17.1 percent to a seasonally adjusted $1,129 million. This high level of permit authorizations was second only to June 1978 in total value, a month greatly distorted by the desire of builders to avoid the new commercial energy standards which became effective with permits authorized on or after July 1978. New commercial construction was the major source of strength in April, with new industrial projects also posting gains.

Inflation in California is continuing its moderate pace. The May to May change in the Consumer Price Index (CPI) for Los Angeles was 4.6 percent and for San Diego it was 6.5 percent. Nationally, the CPI rose 4.2 percent over the prior year's level. Housing prices continue to exert the most upward pressure on the CPI. Annual changes in renters' and homeowners' costs range from 6.9 percent in Los Angeles to 10.6 percent in San Diego. Fuels and other utilities costs are also posting significant increases in Los Angeles and San Francisco. On the plus side, medical care costs continue to run at a slower pace than the all items average.

After pausing for two months, California Index of Leading Economic Indicators resumed its upward path in April. The 1.9 percent increase pushed the Index to 142.8 (1972=100), a new record high for the seventh time in nine months. Six of the eight components of the Index improved in April, with help-wanted ads providing the most support. However, the other two components of the Index, new housing units authorized and initial claims for unemployment insurance, both weakened significantly. The strong increase in the April Index shows that California's economy can be expected to continue growing at a healthy, steady pace.

CURRENT CALIFORNIA ECONOMIC DATA

	1984				1983		Percent Change May 1983- May 1984
	May	April	March	February	May	April	
Employment[a]							
Civilian employment (000)	11,524	11,504	11,425	11,380	11,035	10,992	4.4
Unemployment (000)	966	954	1,026	983	1,284	1,200	-24.8
Unemployment rate	7.7	7.7	8.2	8.0	10.4	9.8	--
Nonagricultural wage and salary employment[b] (000)	10,495.0	10,468.9	10,434.6	10,408.0	9,884.6	9,854.8	6.2
Mining	49.8	49.6	49.8	49.1	47.3	47.2	5.3
Construction	440.4	434.8	428.0	428.7	355.6	348.6	23.8
Manufacturing	2,039.3	2,040.5	2,031.5	2,032.7	1,920.8	1,913.9	6.2
Aerospace[c]	689.9	686.6	681.8	680.9	654.0	652.1	5.5
Transportation and public utilities	529.0	527.6	529.4	528.8	535.9	537.4	-1.3
Trade	2,517.9	2,509.8	2,495.3	2,477.8	2,312.4	2,306.8	8.9
Finance, insurance, and real estate	696.9	695.6	694.8	695.0	655.9	653.0	6.3
Services	2,490.3	2,482.4	2,479.1	2,469.8	2,335.1	2,326.6	6.6
Government	1,731.4	1,728.6	1,726.7	1,726.1	1,721.6	1,721.3	0.6
Federal	331.8	331.5	332.2	332.9	326.2	327.7	1.7
State and local	1,399.6	1,397.1	1,394.5	1,393.2	1,395.4	1,393.6	0.3
Hours and Earnings, Manufacturing							
Average weekly hours	40.3	40.6	40.3	40.1	39.7	39.7	1.5
Average weekly earnings	$391.31	$393.41	$388.90	$385.36	$376.36	$375.56	4.0
Average hourly earnings	$9.71	$9.69	$9.65	$9.61	$9.48	$9.46	2.4
Index of Leading Indicators	n.a.	142.8	140.1	140.1	130.0	129.2	--
Trade							
Retail sales (millions)	n.a.	$12,221	$12,739	$11,396	$11,738	$11,283	n.a.
New auto registrations (number)	98,106	97,403	109,158	93,614	80,382	84,124	22.0
New Incorporations (number)	5,278	5,320	5,270	4,741	4,538	4,457	16.3
Consumer Price Index, all items[d]							
California average (1967=100)	--	310.9	--	307.9	--	296.0	--
San Francisco (1967=100)	--	315.9	--	311.7	--	299.3	--
Los Angeles (1967=100)	305.4	302.8	300.7	300.2	292.0	289.5	4.6
San Diego (1967=100)	353.5	--	349.8	--	332.0	--	6.5
Production							
Petroleum (000 barrels daily)	n.a.	n.a.	1,114.2	1,112.8	1,120.3	1,109.8	--
Portland cement (000 short tons)	816.2	767.7	767.5	683.3	705.7	566.0	15.7
Raw steel (000 net tons)	38.2	37.6	38.2	34.0	133.7	107.3	-71.4
Selected redwood mill production (mil. FBM)	59.7	70.3	64.4	59.7	94.1	83.1	-36.6
Construction							
Private residential housing units authorized, SAAR (000)	n.a.	230.0	244.7	250.9	167.1	160.1	--
Nonresidential building authorized, valuation (millions)	n.a.	$1,203.0	$901.8	$795.0	$778.3	$842.8	--

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series.

[r] Revised.

n.a. Not available

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

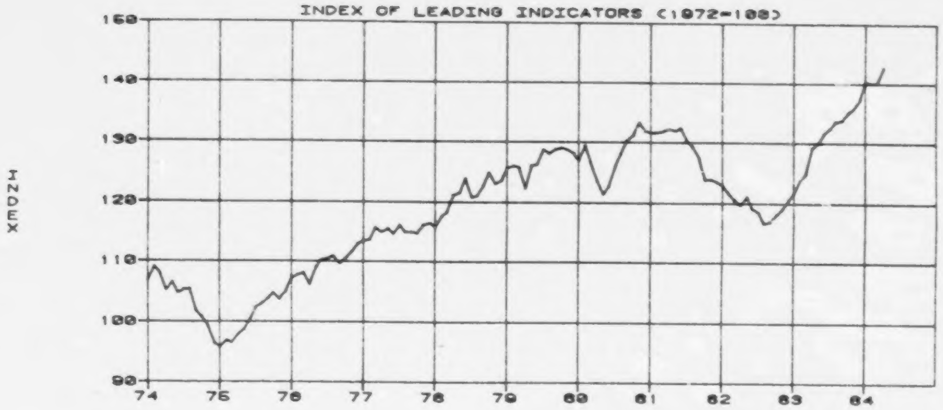
Taxable Sales

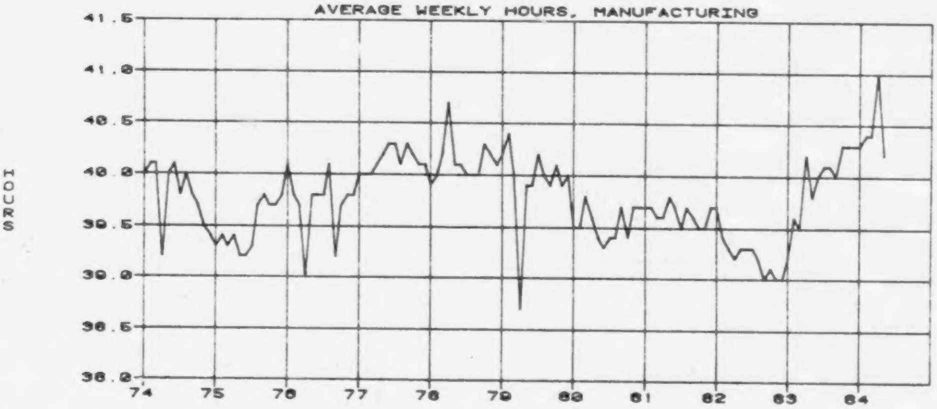
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

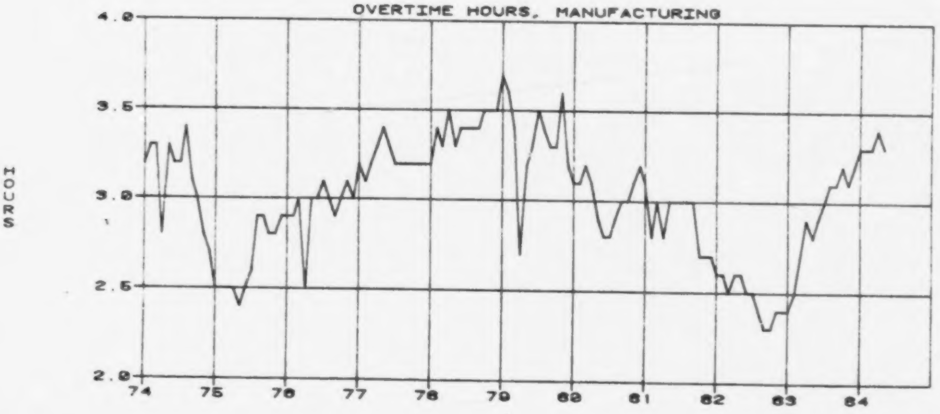
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

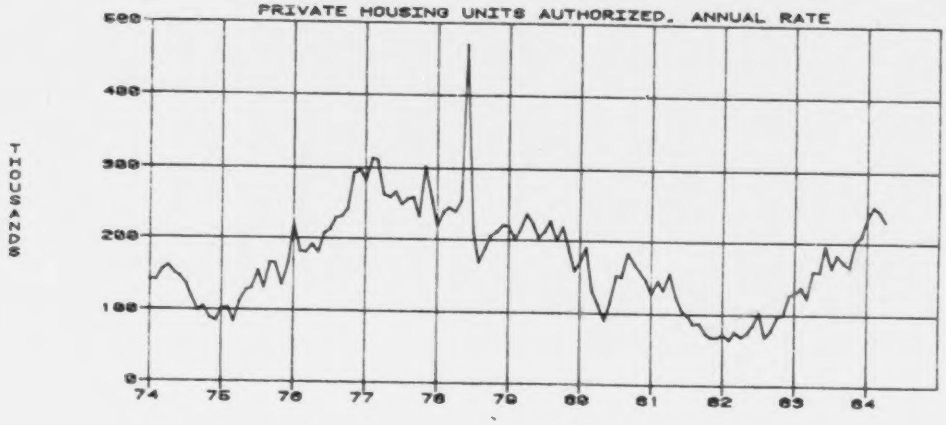
Standard Abbreviations

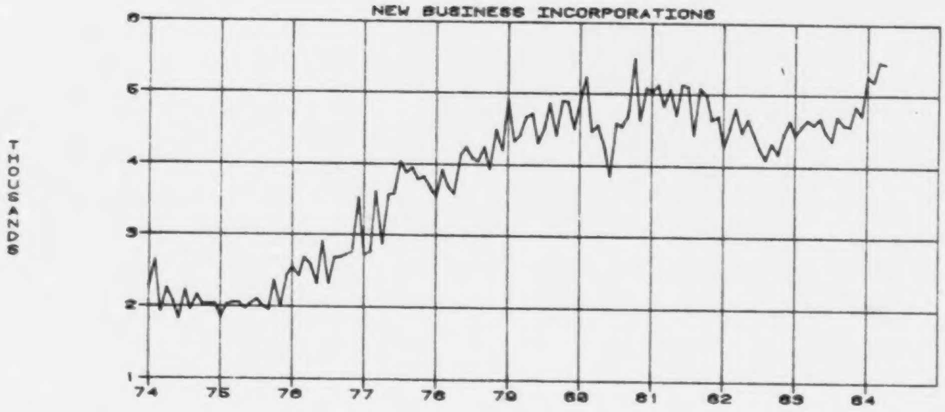
n.a. Not available
e Estimate
p Preliminary
r Revised

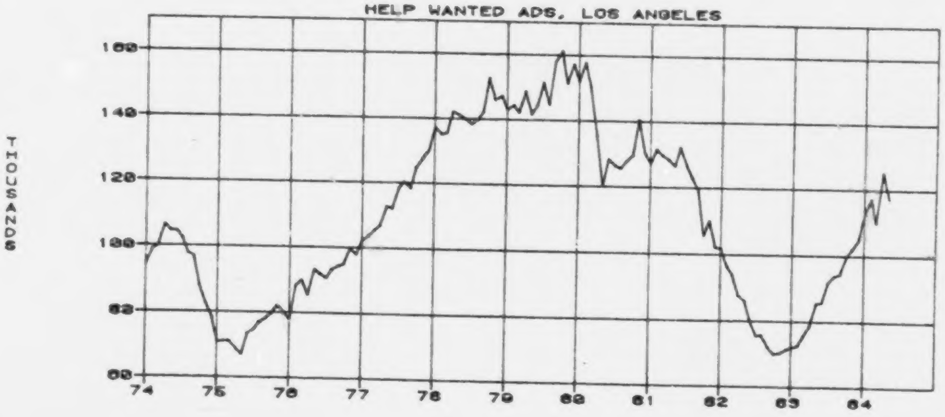

INDEX OF LEADING INDICATORS (1972=100)

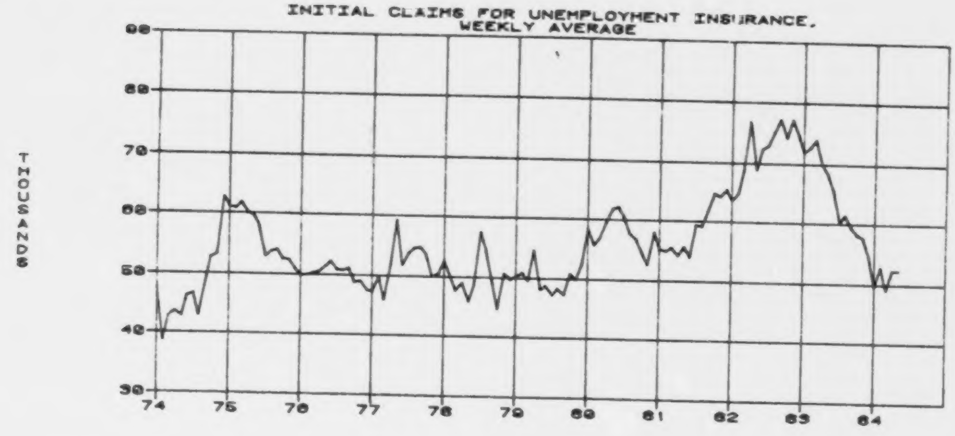

AVERAGE WEEKLY HOURS, MANUFACTURING

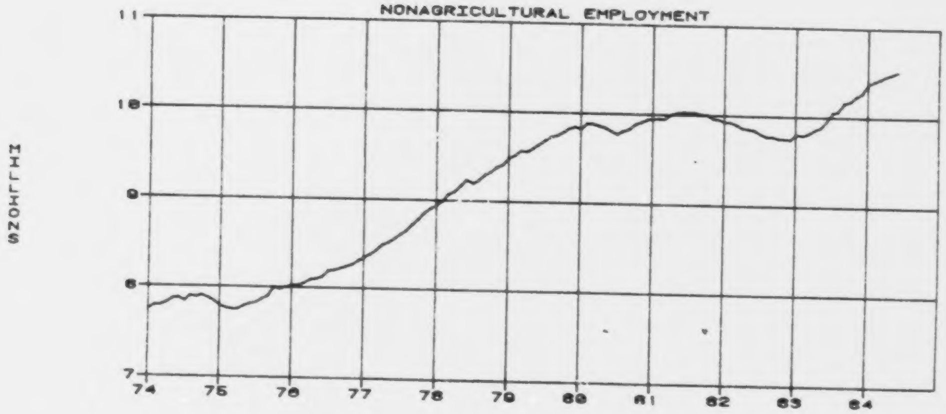

OVERTIME HOURS, MANUFACTURING

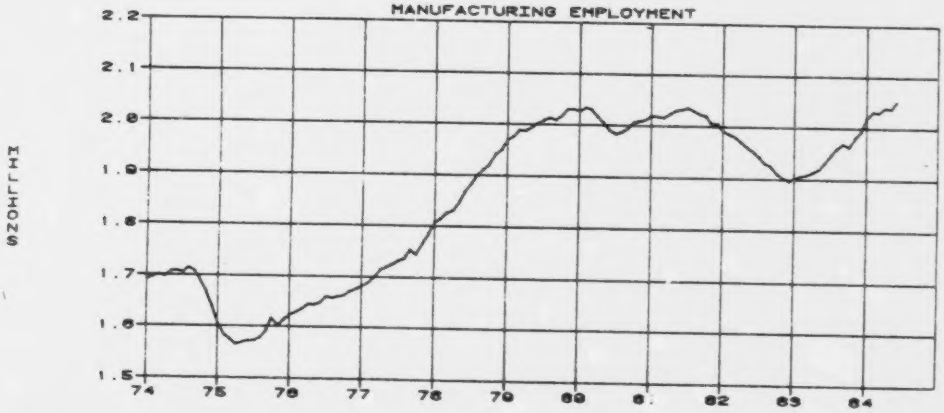

PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL RATE
THOUSANDS
500
400
300
200
100
0
74
75
76
77
78
79
80
81
82
83
84

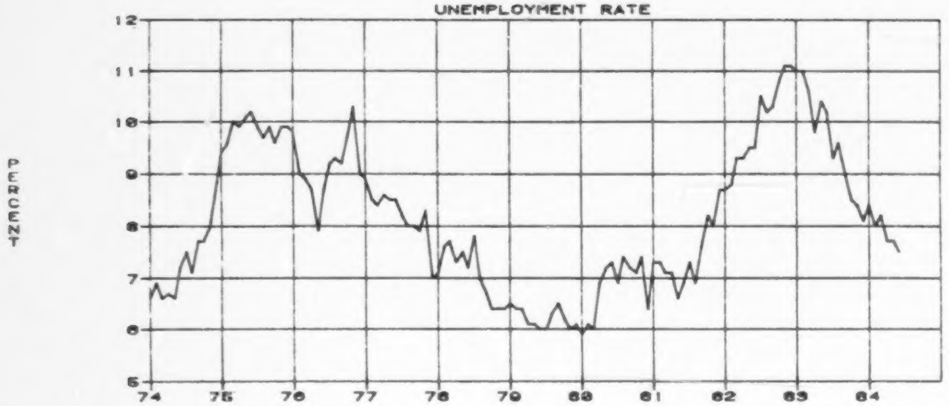

NEW BUSINESS INCORPORATIONS
THOUSANDS
6
5
4
3
2
1
74
75
76
77
78
79
80
81
82
83
84

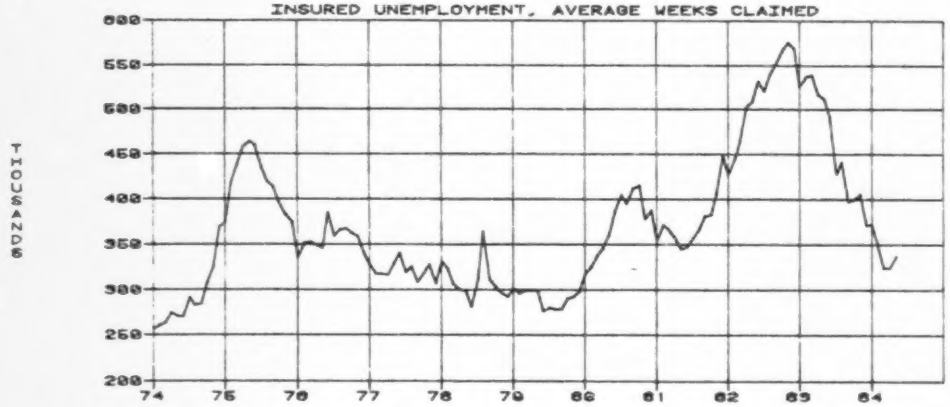

HELP WANTED ADS, LOS ANGELES
THOUSANDS
160
140
120
100
80
60
74
75
76
77
78
79
80
81
82
83
84

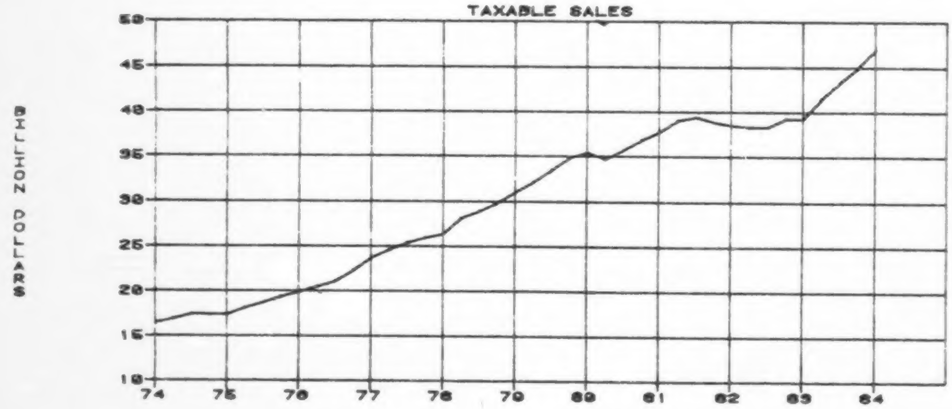

INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE
THOUSANDS
90
80
70
60
50
40
30
74
75
76
77
78
79
80
81
82
83
84

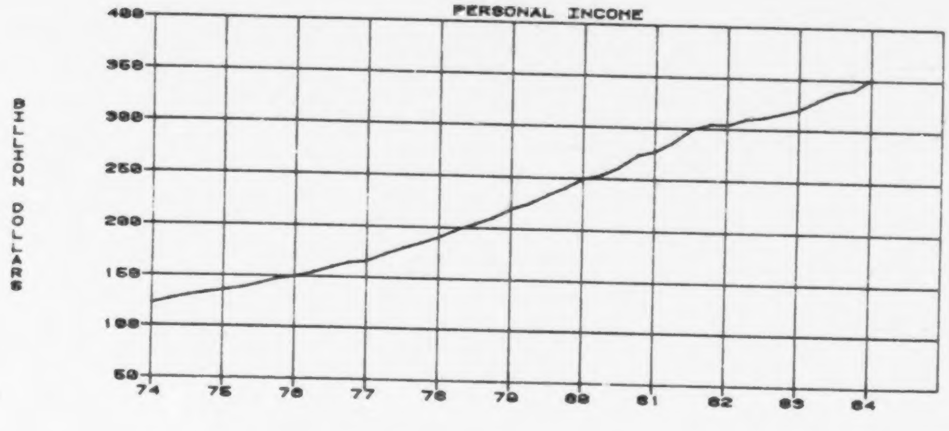

NONAGRICULTURAL EMPLOYMENT
MILLIONS
11
10
9
8
7
74
75
76
77
78
79
80
81
82
83
84

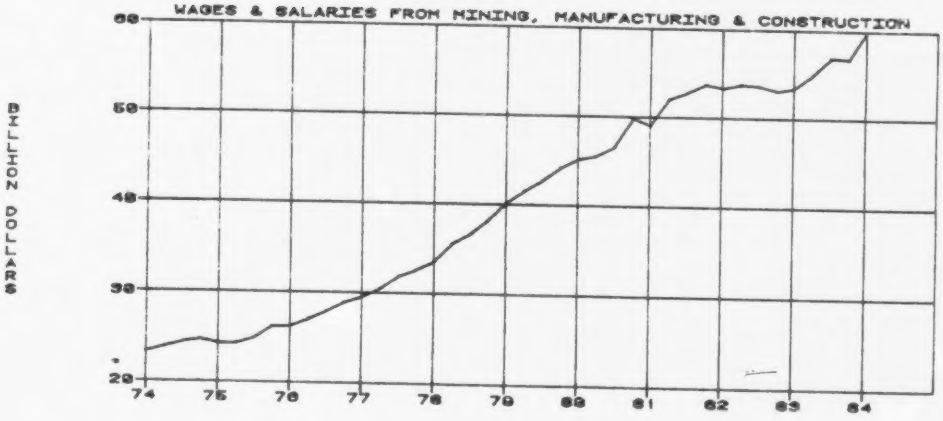

MANUFACTURING EMPLOYMENT
MILLIONS
2.2
2.1
2.0
1.9
1.8
1.7
1.6
1.5
74
75
76
77
78
79
80
81
82
83
84


UNEMPLOYMENT RATE
PERCENT
12
11
10
9
8
7
6
5
74
75
76
77
78
79
80
81
82
83
84


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
THOUSANDS
600
550
500
450
400
350
300
250
200
74
75
76
77
78
79
80
81
82
83
84


TAXABLE SALES
BILLION DOLLARS
50
45
40
35
30
25
20
15
10
74
75
76
77
78
79
80
81
82
83
84


PERSONAL INCOME
BILLION DOLLARS
400
350
300
250
200
150
100
50
74
75
76
77
78
79
80
81
82
83
84


WAGES & SALARIES FROM MINING, MANUFACTURING & CONSTRUCTION
BILLION DOLLARS
60
50
40
30
20
74
75
76
77
78
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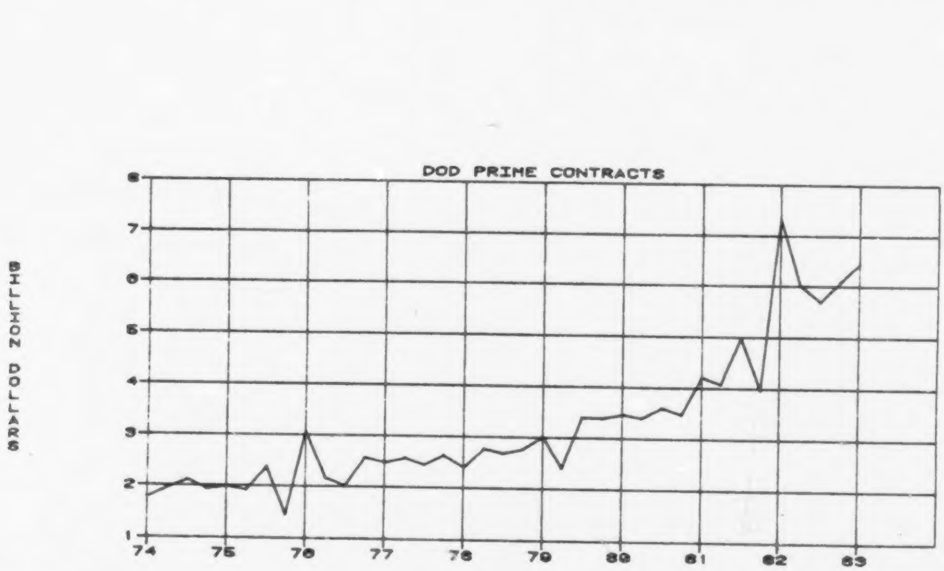
80
81
82
83
84


DOD PRIME CONTRACTS
BILLION DOLLARS
8
7
6
5
4
3
2
1
74
75
76
77
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79
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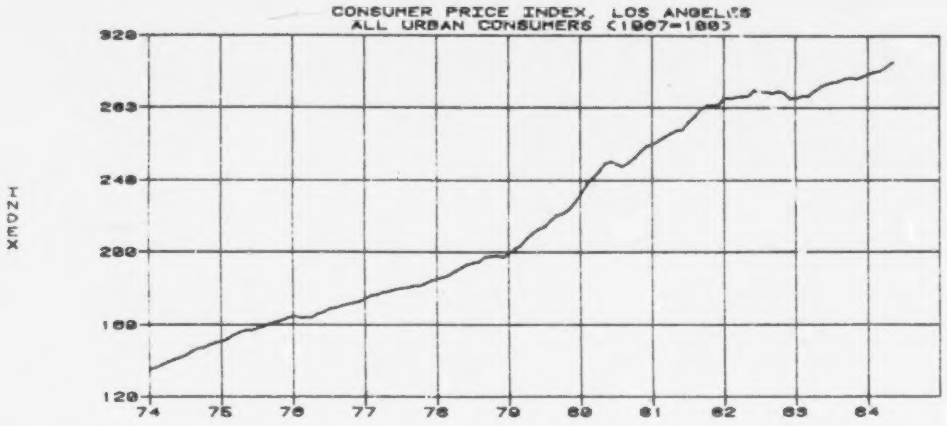
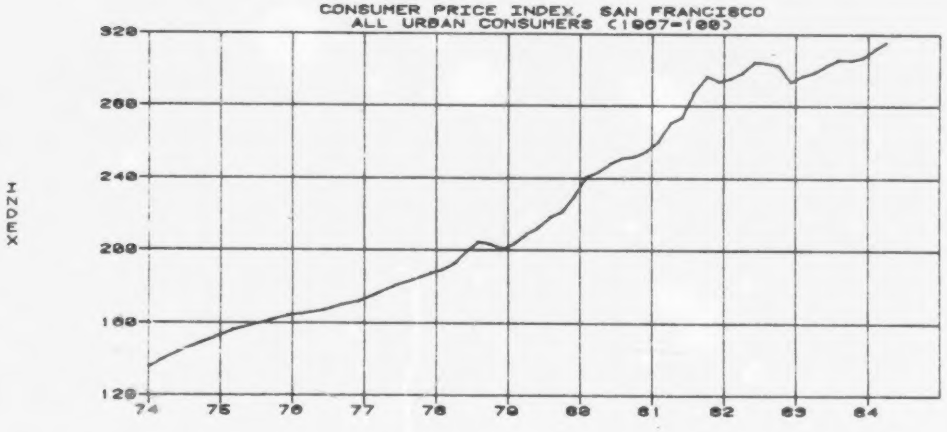
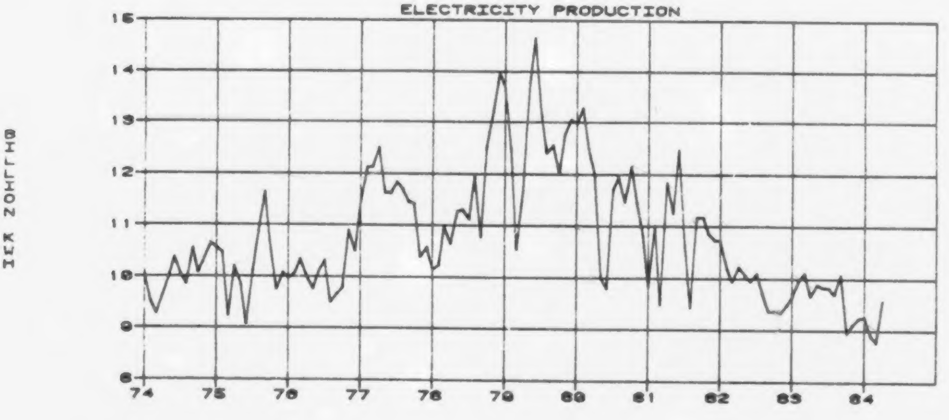
81
82
83


CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)
INDEX
320
280
240
200
160
120
74
75
76
77
78
79
80
81
82
83
84


CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)
INDEX
320
280
240
200
160
120
74
75
76
77
78
79
80
81
82
83
84


ELECTRICITY PRODUCTION
BILLION KWH
15
14
13
12
11
10
9
8
74
75
76
77
78
79
80
81
82
83
84

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads--Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1981							
January	131.5	39.7	127.2	55.3	3.1	128.8	5,026
February	131.6	39.7	131.5	55.0	2.8	148.2	5,133
March	131.7	39.6	129.7	55.6	3.0	130.9	4,832
April	132.2	39.6	128.4	54.3	2.8	158.5	5,075
May	131.8	39.8	126.5	55.7	3.0	131.0	4,704
June	132.3	39.7	132.1	54.0	3.0	109.5	5,133
July	130.2	39.5	126.6	59.4	3.0	96.2	5,110
August	129.3	39.7	123.1	59.2	3.0	86.3	4,426
September	127.4	39.6	119.1	61.7	3.0	83.6	5,088
October	123.8	39.5	105.7	64.7	2.7	68.1	4,998
November	123.9	39.5	110.0	64.1	2.7	64.5	4,635
December	123.5	39.7	102.1	65.4	2.7	67.7	4,693
1982							
January	122.9	39.7	101.5	63.6	2.6	72.4	4,247
February	121.6	39.4	96.3	64.9	2.6	66.0	4,522
March	120.5	39.3	93.6	68.7	2.5	74.3	4,801
April	119.8	39.2	87.7	76.8	2.6	70.3	4,471
May	121.1	39.3	85.9	68.9	2.6	78.1	4,650
June	119.2	39.3	80.4	72.3	2.5	90.9	4,436
July	118.5	39.3	75.5	73.0	2.5	101.0	4,239
August	116.7	39.2	75.7	75.0	2.4	68.5	4,098
September	117.0	39.0	72.2	77.2	2.3	73.4	4,315
October	118.2	39.1	69.9	74.2	2.3	88.7	4,166
November	119.1	39.0	70.2	77.2	2.4	93.4	4,445
December	120.6	39.0	71.2	74.6	2.4	127.5	4,619
1983							
January	121.7	39.2	72.0	71.9	2.4	130.9	4,440
February	123.8	39.6	72.4	72.7	2.5	141.7	4,558
March	124.8	39.5	75.5	73.9	2.7	116.9	4,644
April	129.2	40.2	78.7	70.1	2.9	160.1	4,579
May	130.0	39.8	85.3	68.1	2.8	167.1	4,675
June	131.5	40.0	85.6	65.5	2.9	208.4	4,478
July	132.4	40.1	91.7	60.2	3.0	157.3	4,360
August	133.5	40.1	93.5	61.4	3.1	174.6	4,692
September	133.8	40.0	94.5	59.3	3.1	158.9	4,574
October	135.0	40.3	99.9	58.2	3.2	145.8	4,554
November	135.7	40.3	101.9	57.8	3.1	186.3	4,841
December	137.3	40.3	105.0	54.6	3.2	215.5	4,713
1984							
January	140.4r/	40.3	112.5	49.5	3.3	235.8r/	5,283
February	140.1r/	40.4	117.4	52.8	3.3	250.9r/	5,617
March	140.1	40.4	110.0	49.1	3.3	244.7	5,197
April	142.8	41.0	125.2	52.3	3.4	230.0	5,462
May		40.2	117.2	52.5	3.3		5,441

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r/Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
1981							
January	9,956.7		7.3	353			2,019.6
February	9,953.8	49,015	7.3	371	277,407	37,723	2,018.6
March	9,958.2		7.1	366			2,016.1
April	10,005.0		7.1	356			2,024.2
May	10,022.1	52,018	6.6	344	286,975	39,014	2,031.0
June	10,037.1		6.9	347			2,032.5
July	10,029.4		7.3	356			2,035.6
August	10,025.4	52,807	6.9	365	299,432	39,464	2,030.5
September	10,008.4		7.6	381			2,024.5
October	10,008.3		8.2	383			2,021.1
November	9,965.8	53,787	8.0	407	304,585	38,858	2,005.9
December	9,954.8		8.7	448			2,005.8
1982							
January	9,927.3		8.7	427			1,991.5
February	9,923.5	53,399	8.8	445	304,259	38,538	1,985.8
March	9,900.0		9.3	464			1,980.9
April	9,860.4		9.3	503			1,970.9
May	9,852.8	53,831	9.5	509	310,142	38,309	1,961.1
June	9,836.9		9.5	532			1,952.4
July	9,799.8		10.5	520			1,942.7
August	9,773.3	53,669	10.2	540	312,281	38,354	1,930.4
September	9,772.4		10.3	552			1,924.3
October	9,752.2		10.8	567			1,909.4
November	9,750.2	53,121	11.1	576	316,133	39,293	1,901.7
December	9,744.0		11.1	569			1,897.0
1983							
January	9,798.2		11.0	526			1,902.1
February	9,797.0	53,455	11.0	537	320,224	39,269	1,906.8
March	9,816.3		10.6	539			1,908.4
April	9,854.8		9.8	517			1,913.9
May	9,884.6	55,006	10.4	511	329,027	41,515	1,920.8
June	9,940.5		10.2	491			1,932.5
July	10,056.5		9.3	428			1,948.0
August	10,067.4	56,940	9.6	441	337,299	43,357	1,959.6
September	10,165.6		9.0	398			1,969.5
October	10,186.1		8.5	400			1,963.3
November	10,238.7	56,847 r/	8.4	406	340,554 r/	44,943	1,981.4
December	10,279.7		8.1	371			1,994.3
1984							
January	10,381.2		8.4	371			2,021.3
February	10,408.0	59,934	8.0	348	351,758	46,934	2,032.7
March	10,434.6		8.2	324			2,031.5
April	10,468.9 r/		7.7	324			2,040.5 r/
May	10,495.0		7.7	337			2,039.3
June	10,521.5		7.5				2,052.7

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r/Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Other Indicators						
		Consumer Price Index (1967=100)c/					
		San Francisco		Los Angeles			
Year and Month	DOD Prime Contracts (mil dol.)b/	Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban	Net New S&L Savingsc/ (mil dol.)	Electricity Production (mil KWH)
1981							
January		--	--	262.7	259.4	-241	9,831
February	4,197	261.6	260.5	265.0	261.6	-2	11,005
March		--	--	266.5	263.3	-753	9,485
April		270.9	270.3	269.1	265.5	-830	11,847
May	4,057	--	--	270.7	267.3	-44	11,240
June		274.3	274.0	271.7	267.9	-1,539	12,469
July		--	--	276.3	272.2	-1,020	10,626
August	4,983	287.2	287.9	278.6	274.8	-1,016	9,423
September		--	--	282.9	279.3	-541	11,165
October		295.6	297.0	284.9	281.3	667	11,168
November	3,957	--	--	285.3	281.6	-385	10,850
December		292.7	294.0	285.9	282.1	-110	10,717
1982							
January		--	--	289.6	285.6	366	10,728
February	7,338	294.9	295.8	289.2	285.4	333	10,201
March		--	--	290.2	286.4	-181	9,939
April		297.8	298.8	290.3	286.6	-1,085	10,218
May	6,015	--	--	290.6	287.1	-47	10,063
June		303.4	304.6	293.9	290.1	-1,140	9,950
July		--	--	293.0	289.3	-143	10,093
August	5,694	302.8	304.3	292.8	289.1	-412	9,712
September		--	--	291.7	288.2	78	9,365
October		301.3	302.4	292.8	289.5	-615	9,362
November	6,080	--	--	291.6	288.5	779	9,338
December		293.6	293.9	288.0	285.3	3,492	9,486
1983							
January		--	--	288.0	285.6	5,802	9,660
February	6,452	293.9	297.3	290.1	286.8	2,757	9,964
March		--	--	289.6	287.1	1,992	10,112
April		294.7	299.3	290.2	289.5	2,301	9,663
May		--	--	292.1	292.0	2,381	9,883
June		298.6	303.0	292.1	293.6	1,043	9,835
July		--	--	293.2	294.5	2,066	9,820
August		301.6	306.0	293.7	295.2	3,207	9,699
September		--	--	296.7	296.4	3,476	10,079
October		301.4	305.7	299.0	297.0	1,679	8,956
November		--	--	297.8	296.5	273	9,107
December		306.1	307.3	299.9	297.7	2,224	9,241
1984							
January		--	--	297.9	299.1	3,518	9,275
February		308.7	311.7	299.0	300.2	1,752	8,909
March		--	--	297.9	300.7	3,171 r/	8,770
April		310.8	315.9	298.9	302.8	3,241	9,579
May		--	--	303.1	305.8	5,463	

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a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.—

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

CHRONOLOGY--Continued

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

CHRONOLOGY--Continued

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 pepcent to 6-3/4 percent.

CHRONOLOGY--Continued

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

CHRONOLOGY--Continued

1980--Continued

July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

CHRONOLOGY--Continued

1981--(Continued)

June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

1981--(Continued)

December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

CHRONOLOGY--Continued

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	Maximum rate on VA & FHA mortgages lowered from 13 percent to 12.5 percent.
November 3	Strike against Greyhound Lines Inc. begins.
December 1	FHA mortgage interest rates begin to float. VA rates are still pegged.
December 21	Greyhound strike ends.

1984

January 3	Breakup of AT&T becomes effective.
February 2	Contemporaneous reserve accounting is required by Fed for all but the very small deposit-taking institutions.
March 19	Prime rate raised from 11 percent to 11-1/2 percent.
March 20	Maximum rate on VA loans raised from 12-1/2 to 13 percent.

1984 (Continued)

April 4	Prime rate raised from 11-1/2 percent to 12 percent.
April 9	Discount rate raised from 8-1/2 percent to 9 percent; the first change in 3 years.
May 5	Prime rate raised from 12 percent to 12-1/2 percent.
June 26	Prime rate raised from 12-1/2 percent to 13 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian Employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-1982

Initial Trough	Peak	Terminal Trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980	July 1980	58	6	64
July 1980	July 1981	November 1982	12	16	28

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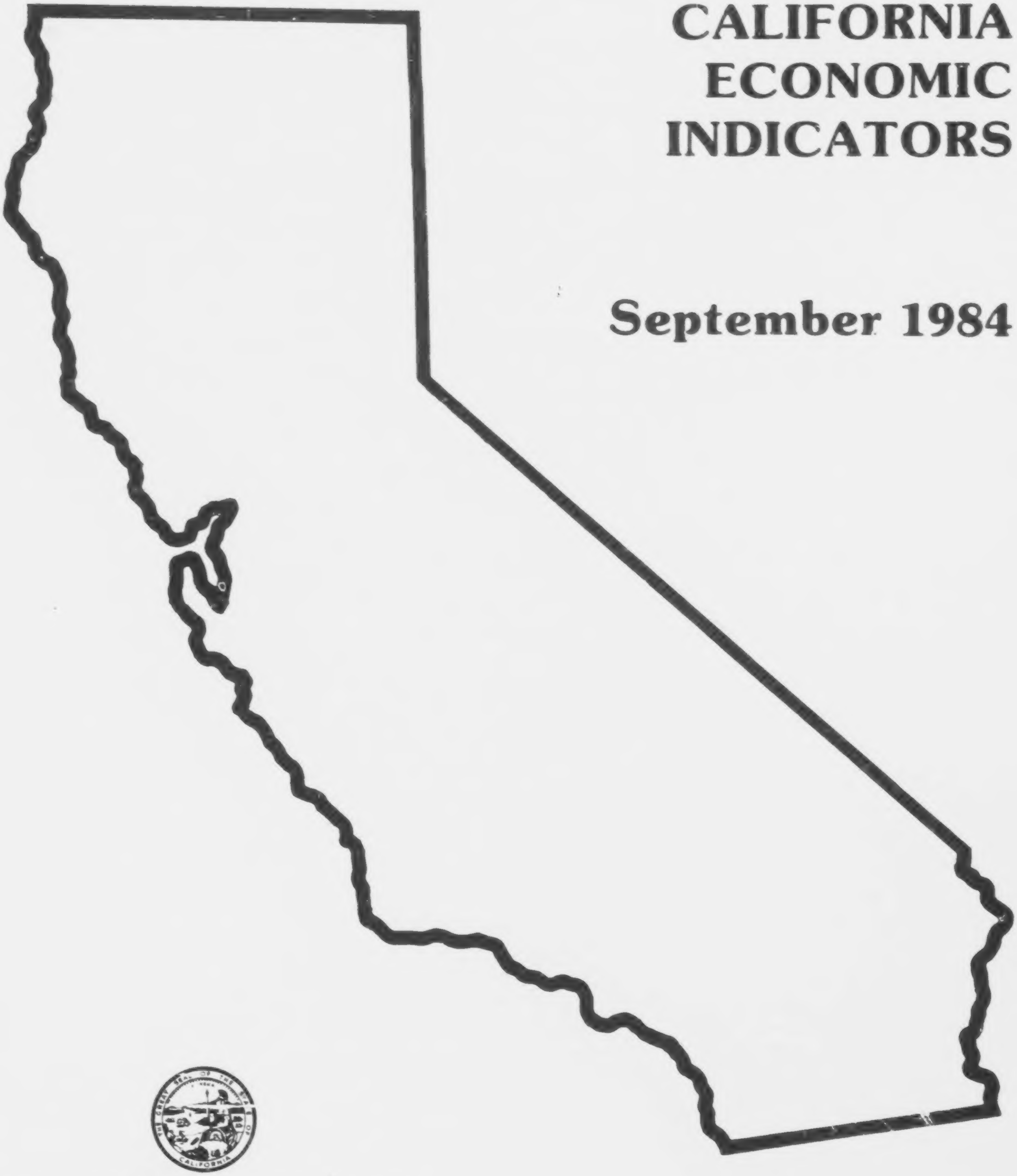
CALIFORNIA ECONOMIC INDICATORS

September 1984



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1974 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

REVIEW OF ECONOMIC DEVELOPMENTS

Following two quarters of explosive growth both the national and the California economies have begun to moderate somewhat. The California index of leading economic indicators has declined for two consecutive months and new housing permits have continued their downtrend for the fourth straight month. This slowdown in economic growth has been anticipated for some time and is, to a certain degree, welcome news. It should provide for a longer expansionary period than was possible with the runaway growth witnessed during the first half of 1984.

While continued high interest rates have begun to take their toll on the interest sensitive industries such as housing and autos, these industries are still producing at levels substantially above their recessionary lows. Housing units authorized were reported at a 206,800 rate during June and new auto registrations reached 121,233 on a nonseasonally adjusted basis for the same month. Retail sales in June were up 9.2 percent from a year earlier to $13.2 billion.

The economy as a whole appears to be growing at a still healthy, sustainable rate. The GNP "flash" report for the third quarter called for 3.6 percent growth, and California is expected to perform at least as well as the Nation despite the decline in the index of leading indicators. A two month downturn in the index does show a definite cooling in the State's economic growth rate but it certainly does not indicate an inpending recession.

Total wages and salaries for California have continued to increase approaching an estimated $230 billion in the second quarter. Personal income for the second quarter reached a new all time high of $370 billion. The quarterly income figures have recently been benchmarked to the U.S. Department of Commerce figures which resulted in an upward revision back to 1978. Major changes in these data were due to increases in interest and rental income and a reduction in nonfarm proprietor's income which is apparently the result of an increased use of tax shelters. Despite the upward revision, the 4th quarter 1983 figure of $342.9 billion came in lower than what would be expected given the 3rd quarter 1983 and first quarter 1984 values of $340.5 billion and $361.3 billion, respectively. This apparent anomaly is unexplainable, but could be the result of unusual seasonal factors, a large influx of part-time workers into the work force, or lower than normal pay increases. The newly benchmarked income figures are available from the California Department of Finance upon request.

Nonagricultural wage and salary employment has continued its long-term upward trend topping 10,700,000 in August. In light of August's civilian unemployment rate of 7.6 percent it appears that the momentary surge to 8.2 percent in July was nothing more than a statistical aberration. The 7.6 percent rate in August compares with a corresponding 7.5 percent rate for the Nation. It is also interesting to note that of the 2,484,000 new nonagricultural wage and salary jobs created nationally since December 1983, 421,000 or 16.9 percent, of them were in California. Among the basic industries in the State the service sector is leading the way with wage and salary employment reaching 2,561,600 in August, followed by the still robust construction and trade industries reported at 468,100 and 2,554,800 respectively. Mining and manufacturing are the only sectors in which August employment was slightly lower than it was two months prior.

Continued strength in the construction industry would appear to hinge on the ability of lending institutions to market adjustable rate mortgages. The uptrend in personal income should continue to fuel both the service and trade sectors. Manufacturing could have been adversely effected by a prolonged United Auto Workers -General Motors strike. However, with what appears to be an impending settlement in the offing, manufacturing should continue to hold its own.

The statewide unemployment rate still exceeds what is generally considered a full employment rate despite the exceptional growth in employment over the year. Improvement has occurred in most counties, and many of the urban counties have recorded a July unemployment rates equal to or below a full employment level. Two notable exceptions are Los Angeles and San Francisco.

July Labor Force Data
for Selected Counties

County	Employment	Unemployment No	Unemployment %
Orange	1,236,300	59,800	4.6
Marin	116,175	6,400	5.2
Santa Clara	847,000	46,100	5.2
San Mateo	306,550	17,150	5.3
Contra Costa	342,575	23,650	6.5
San Diego	837,700	59,000	6.6
Alameda	576,925	42,250	6.8
San Francisco	354,375	32,725	8.5
Los Angeles	3,495,000	368,000	9.5

The current employment and income data, combined with an inflation rate that is expected to remain under 5.5 percent, allow for an outlook of continued but somewhat more subdued growth in both the U.S. and California economies through 1986.

CURRENT CALIFORNIA ECONOMIC DATA

	1984				1983		Percent Change Aug. 1983-Aug. 1984
	August	July	June	May	August	July	
Employment[a]							
Civilian employment (000)	11,697	11,610	11,726	11,524	11,191	11,169	4.5
Unemployment (000)	968	1,036	957	966	1,188	1,151	-18.5
Unemployment rate	7.6	8.2	7.5	7.7	9.6	9.3	--
Nonagricultural wage and salary employment[b] (000)	10,700.7	10,680.7	10,640.1	10,605.2	10,067.4	10,056.5	6.3
Mining	49.4	49.6	50.0	50.2	48.3	48.0	2.3
Construction	468.1	471.1	466.3	464.5	387.3	383.0	20.9
Manufacturing	2,051.6	2,055.3	2,055.7	2,049.9	1,959.6	1,948.0	4.7
Aerospace[c]	709.3	700.8	697.8	689.9	666.7	664.1	6.4
Transportation and public utilities	564.0	561.7	559.1	558.1	500.0	541.8	12.8
Trade	2,554.8	2,548.1	2,546.4	2,535.8	2,382.1	2,374.4	7.2
Finance, insurance, and real estate	704.8	702.7	703.6	698.8	670.5	665.7	5.1
Services	2,561.6	2,548.1	2,526.1	2,516.5	2,394.8	2,376.2	7.0
Government	1,746.4	1,744.1	1,732.9	1,731.4	1,724.8	1,719.4	1.3
Federal	331.1	329.1	329.9	331.8	322.6	322.5	2.6
State and local	1,415.3	1,415.0	1,403.0	1,399.6	1,402.2	1,396.9	.9
Hours and Earnings, Manufacturing							
Average weekly hours	40.2	39.9	40.3	40.3	40.2	39.7	.0
Average weekly earnings	$394.36	$391.02	$392.93	$391.31	$383.51	$379.14	2.8
Average hourly earnings	$9.81	$9.80	$9.75	$9.71	$9.54	$9.55	2.8
Index of Leading Indicators	n.a.	n.a.	138.5	139.7	133.5	132.4	--
Trade							
Retail sales (millions)	n.a.	n.a.	$13,239	$12,990	$12,109	$11,983	--
New auto registrations (number)	79,394[p]	85,895[p]	121,233	98,106	101,204	95,945	-21.6
New Incorporations (number)	5,378	5,051	5,435	5,278	5,084	4,841	5.8
Consumer Price Index, all items[d]							
California average (1967=100)	316.7	--	313.7	--	302.0	--	4.9
San Francisco (1967=100)	323.4	--	318.7	--	306.0	--	5.9
Los Angeles (1967=100)	308.6	305.9	305.6	305.4	295.2	294.5	4.5
San Diego (1967=100)	--	351.3	--	353.0	--	335.2	--
Production							
Petroleum (000 barrels daily)	n.a.	n.a.	1,102.7	1,118.5	1,110.9	1,112.9	--
Portland cement (000 short tons)	n.a.	777.9	732.3	816.2	781.3	715.4	--
Raw steel (000 net tons)	28.7	33.3	34.9	38.2	130.5	133.9	-78.0
Selected redwood mill production (mil. FBM)	n.a.	57.1	62.0	59.7	78.8	79.3	--
Construction							
Private residential housing units authorized, SAAR (000)	n.a.	n.a.	206.8	215.0	182.9	165.3	--
Nonresidential building authorized, valuation (millions)	n.a.	n.a.	$934.7	$941.6	908.8	$799.8	--

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[a] Adjusted for seasonal variation.

[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.

[c] The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.

[d] All urban series. New basis since January 1983.

[p] Preliminary estimate.

[r] Revised.

n.a. Not available

FR:2829D1

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data are plotted either monthly or quarterly. The Arabic numeral in the right hand corner of each graph indicates the latest month or quarter for which the data are plotted (e.g.: 1 = January or first quarter). The basic data tables indicate the frequency of each of the series plotted.

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary, to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

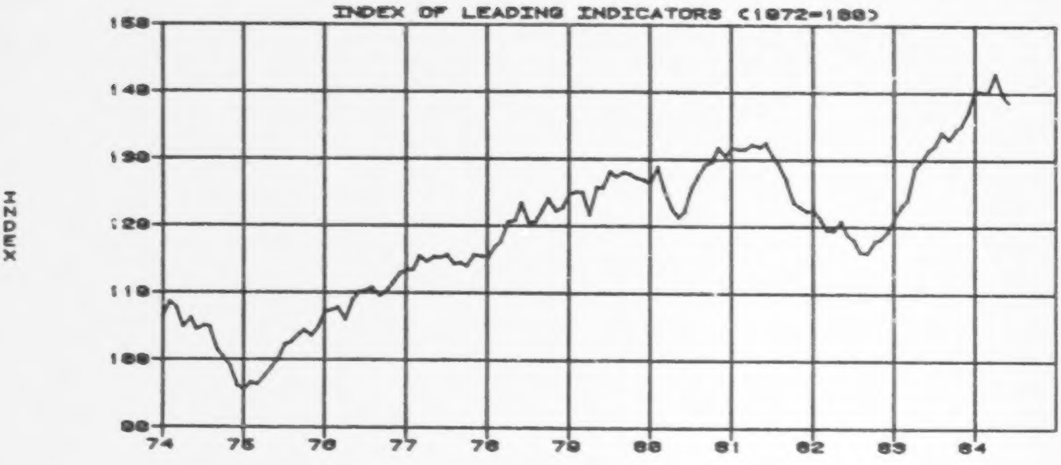
Taxable Sales

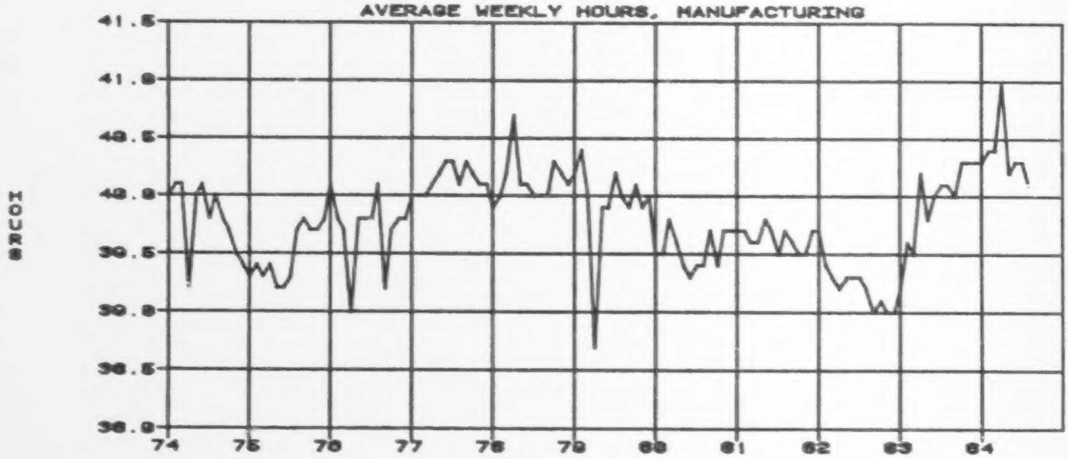
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised


INDEX OF LEADING INDICATORS (1972=100)
INDEX
150
140
130
120
110
100
90
74
75
76
77
78
79
80
81
82
83
84


AVERAGE WEEKLY HOURS, MANUFACTURING
HOURS
41.5
41.0
40.5
40.0
39.5
39.0
38.5
38.0
74
75
76
77
78
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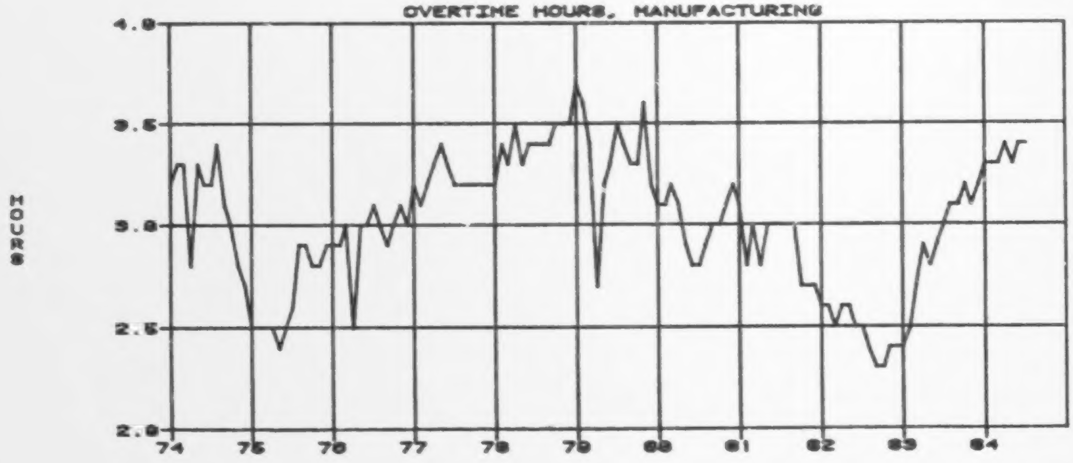
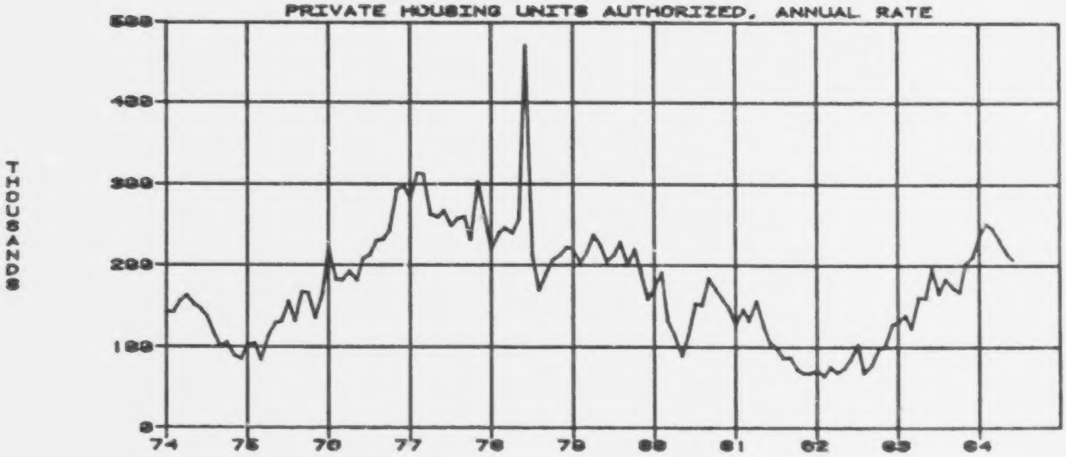
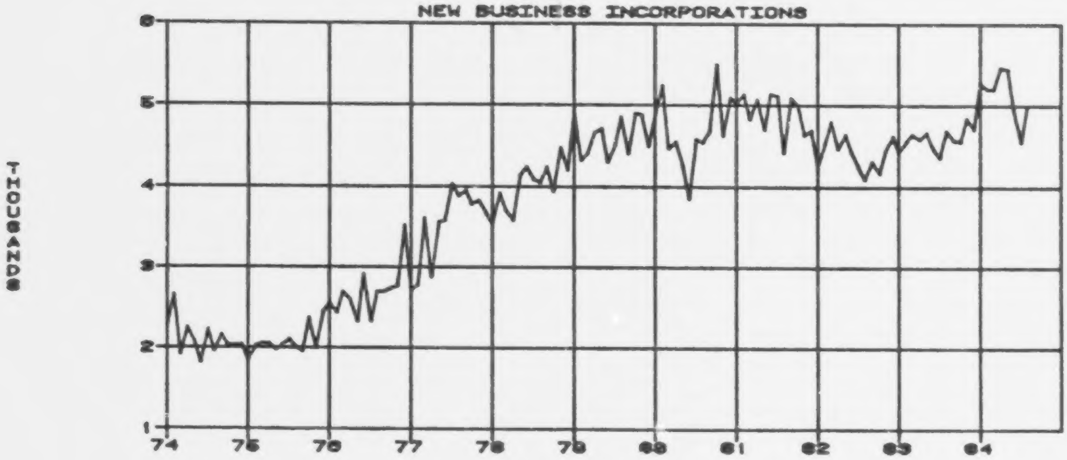
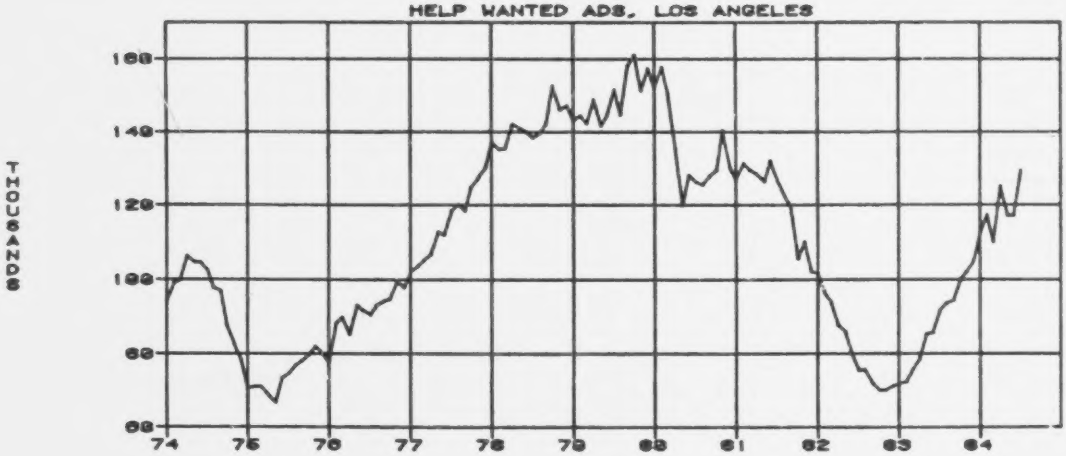
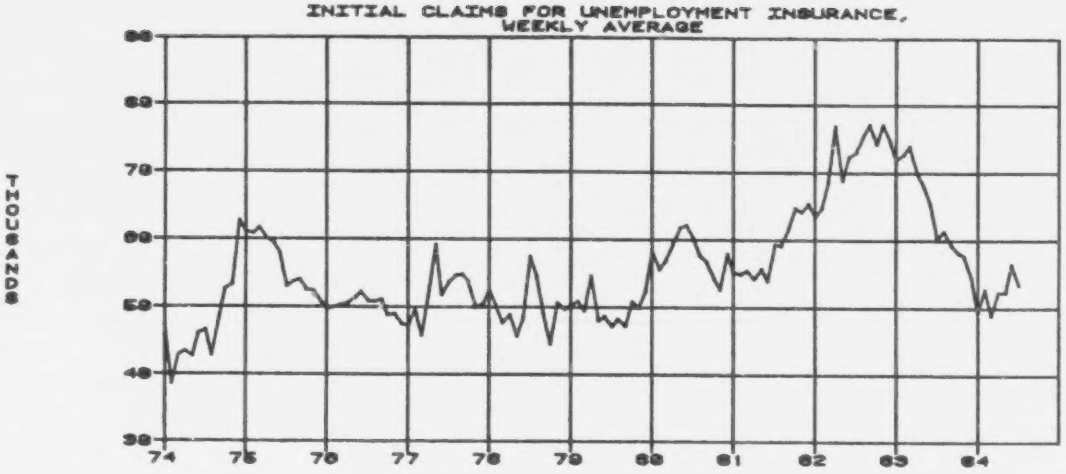
82
83
84


OVERTIME HOURS, MANUFACTURING
HOURS
4.0
3.5
3.0
2.5
2.0
74
75
76
77
78
79
80
81
82
83
84


PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL RATE


NEW BUSINESS INCORPORATIONS


HELP WANTED ADS, LOS ANGELES


INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE, WEEKLY AVERAGE
THOUSANDS
90
80
70
60
50
40
30
74
75
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77
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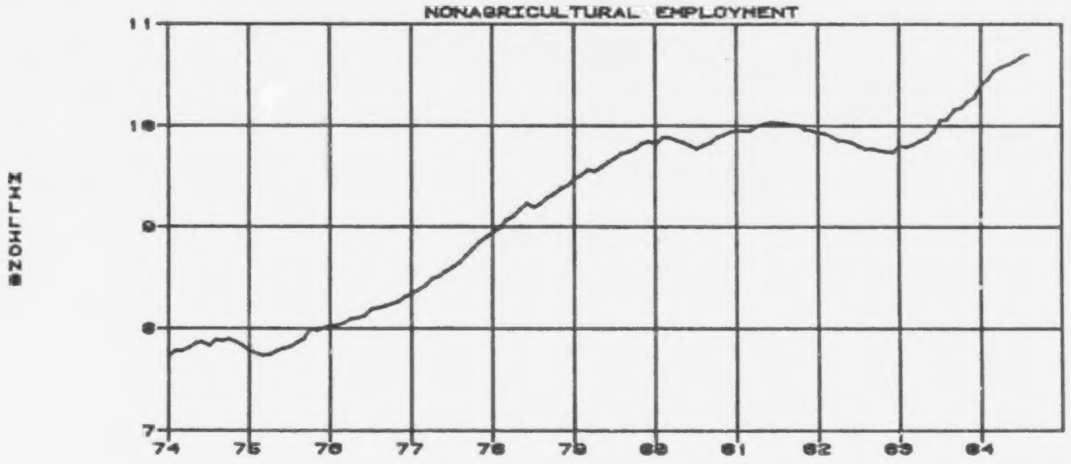
80
81
82
83
84


NONAGRICULTURAL EMPLOYMENT
MILLIONS
11
10
9
8
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74
75
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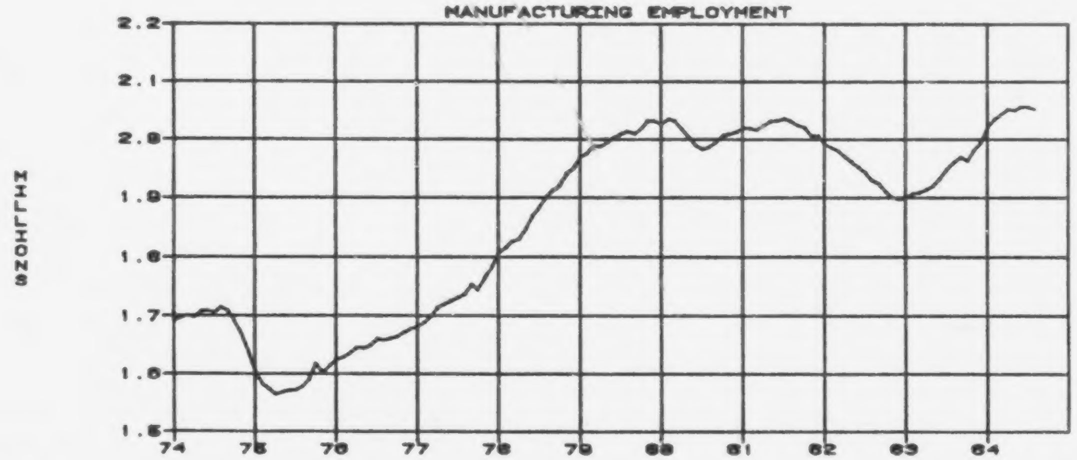
84


MANUFACTURING EMPLOYMENT
MILLIONS
2.2
2.1
2.0
1.9
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1.5
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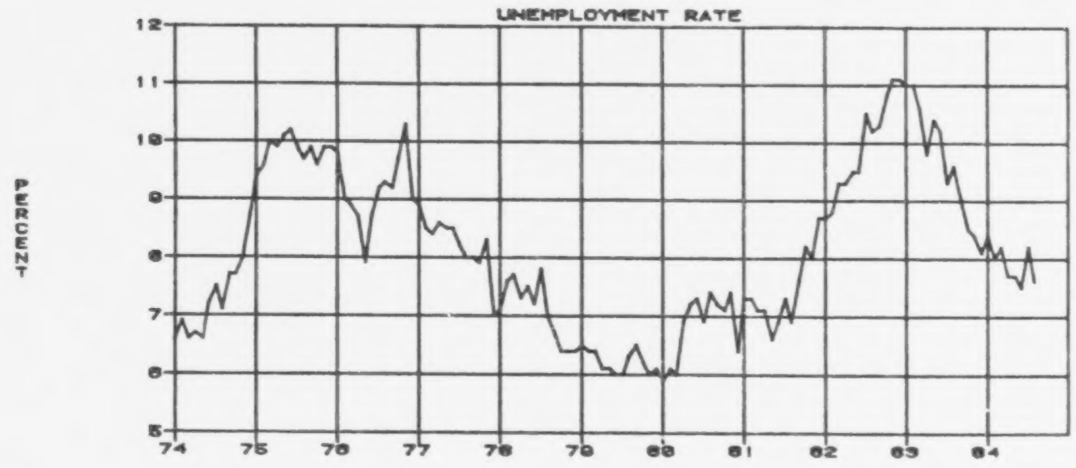
UNEMPLOYMENT RATE
PERCENT
12
11
10
9
8
7
6
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75
76
77
78
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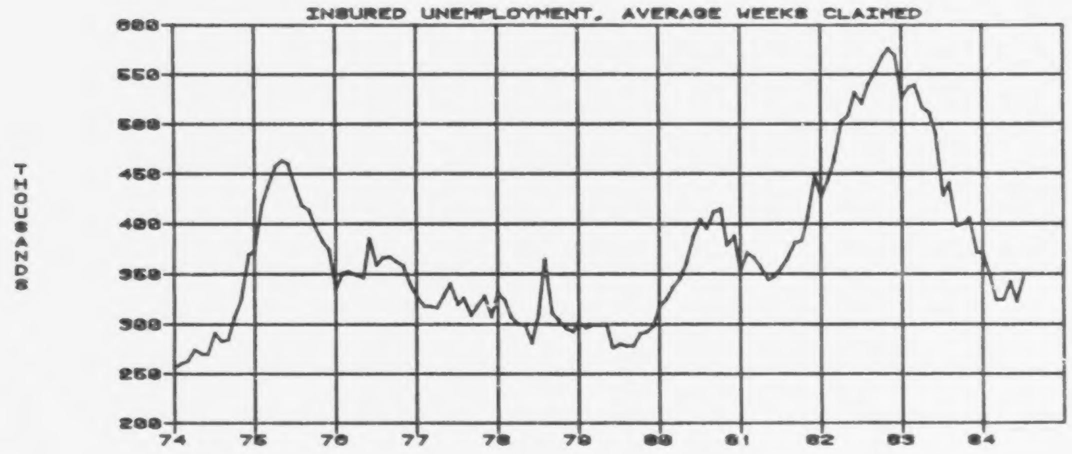
82
83
84


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
THOUSANDS
600
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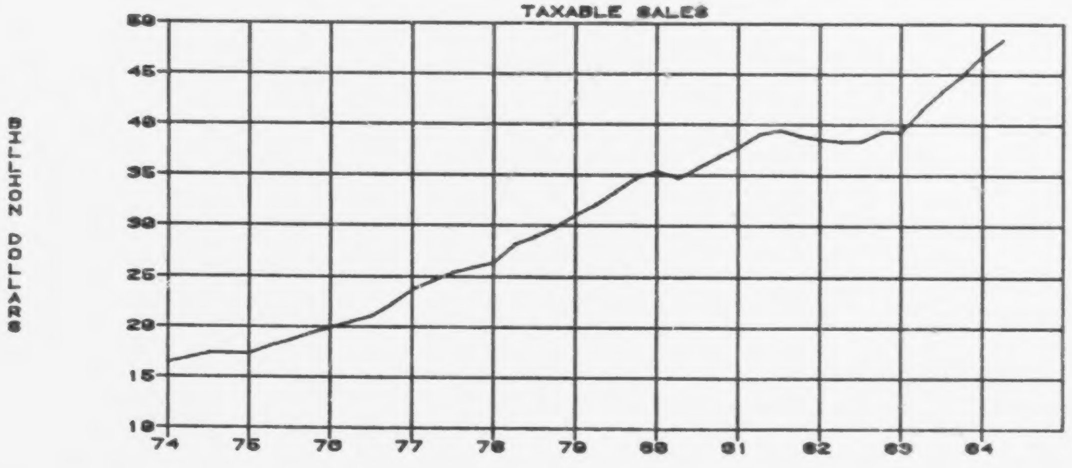
TAXABLE SALES
BILLION DOLLARS
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25
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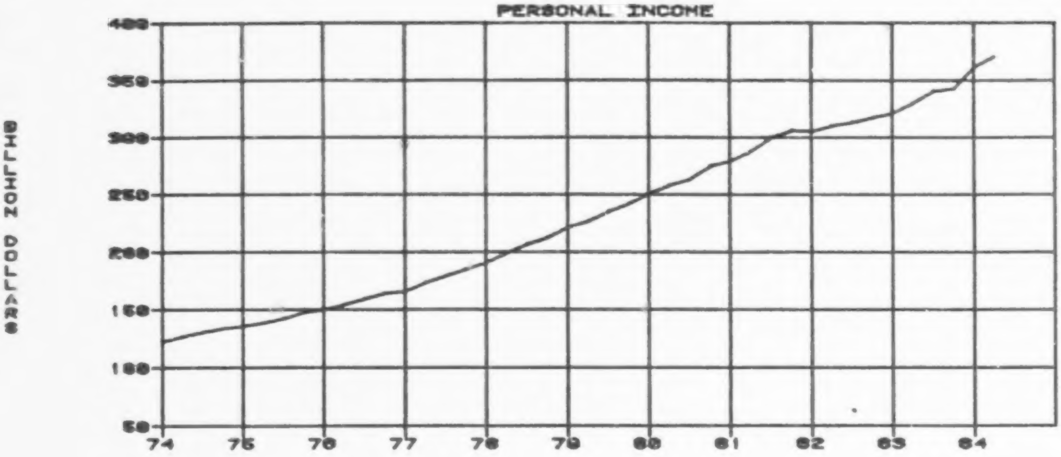
PERSONAL INCOME
BILLION DOLLARS
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250
200
150
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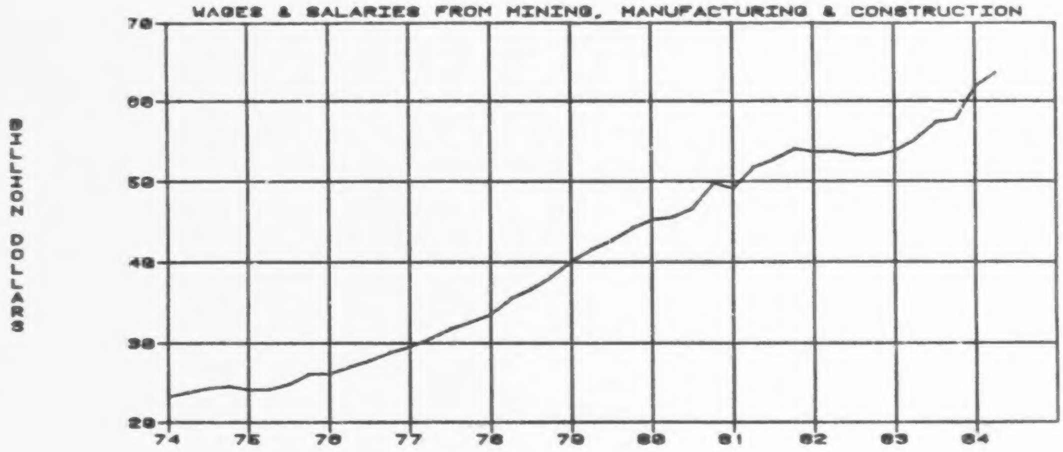
WAGES & SALARIES FROM MINING, MANUFACTURING & CONSTRUCTION
BILLION DOLLARS
70
60
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20
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75
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77
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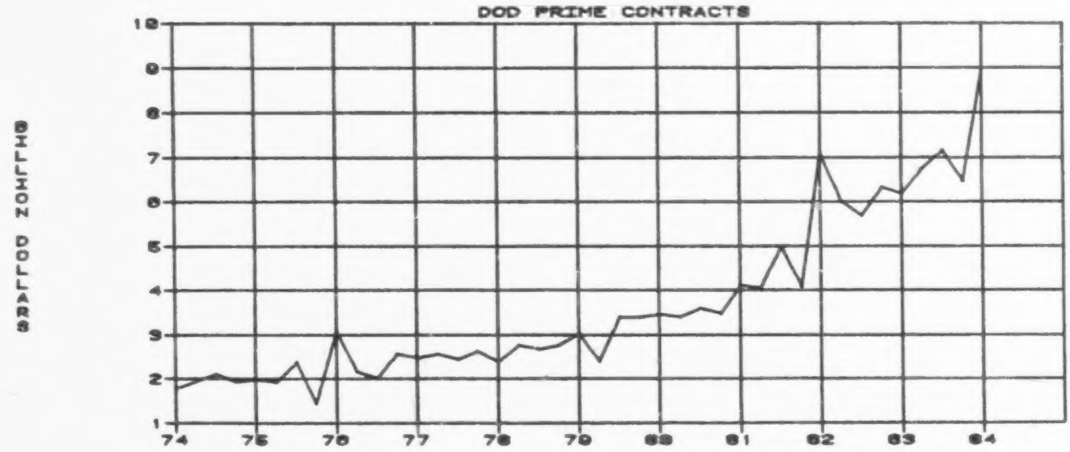
84


DOD PRIME CONTRACTS
BILLION DOLLARS
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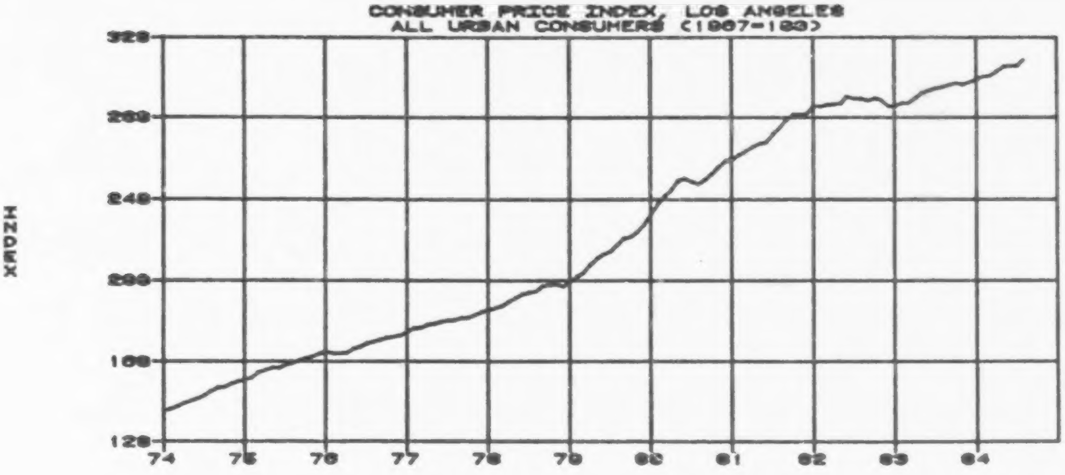
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)
INDEX
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280
240
200
160
120
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77
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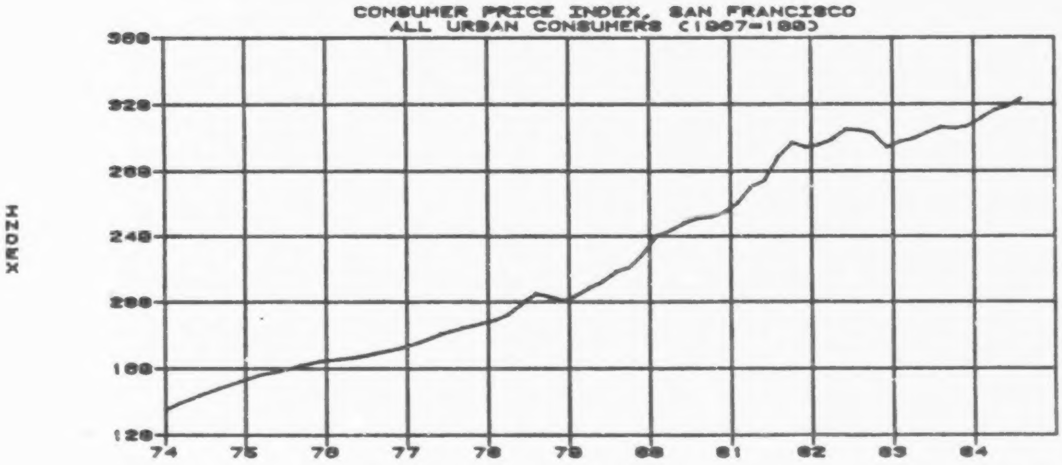
83
84


CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)
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280
240
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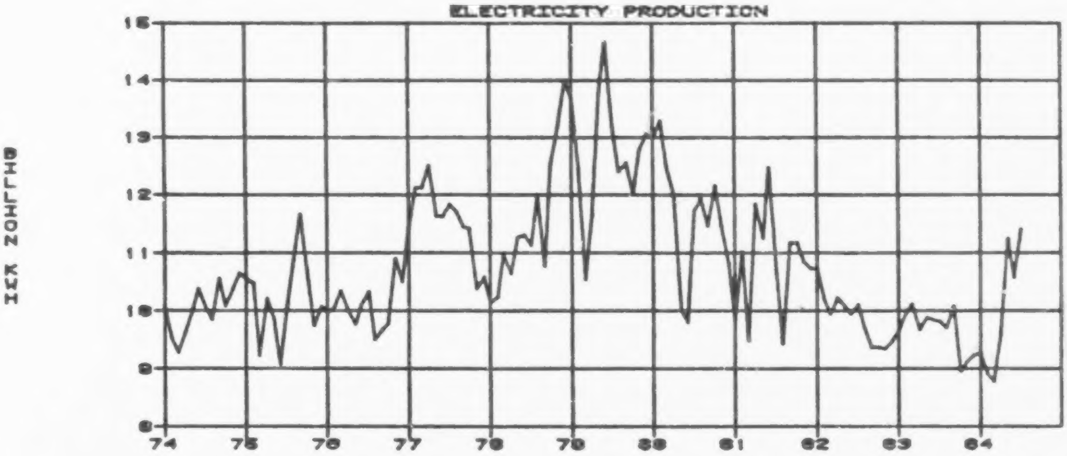
ELECTRICITY PRODUCTION
BILLION KWH
15
14
13
12
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75
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83
84

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

	Leading Indicators						
Year and Month	Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1981							
January	131.5	39.7	127.2	55.3	3.1	128.8	5,026
February	131.6	39.7	131.5	55.0	2.8	148.2	5,133
March	131.7	39.6	129.7	55.6	3.0	130.9	4,832
April	132.2	39.6	128.4	54.3	2.8	158.5	5,075
May	131.8	39.8	126.5	55.7	3.0	131.0	4,704
June	132.3	39.7	132.1	54.0	3.0	109.5	5,133
July	130.2	39.5	126.6	59.4	3.0	96.2	5,110
August	129.3	39.7	123.1	59.2	3.0	86.3	4,426
September	127.4	39.6	119.1	61.7	3.0	83.6	5,088
October	123.8	39.5	105.7	64.7	2.7	68.1	4,998
November	123.9	39.5	110.0	64.1	2.7	64.5	4,635
December	123.5	39.7	102.1	65.4	2.7	67.7	4,693
1982							
January	122.9	39.7	101.5	63.6	2.6	72.4	4,247
February	121.6	39.4	96.3	64.9	2.6	66.0	4,522
March	120.5	39.3	93.6	68.7	2.5	74.3	4,801
April	119.8	39.2	87.7	76.8	2.6	70.3	4,471
May	121.1	39.3	85.9	68.9	2.6	78.1	4,650
June	119.2	39.3	80.4	72.3	2.5	90.9	4,436
July	118.5	39.3	75.5	73.0	2.5	101.0	4,239
August	116.7	39.2	75.7	75.0	2.4	68.5	4,098
September	117.0	39.0	72.2	77.2	2.3	73.4	4,315
October	118.2	39.1	69.9	74.2	2.3	88.7	4,166
November	119.1	39.0	70.2	77.2	2.4	93.4	4,445
December	120.6	39.0	71.2	74.6	2.4	127.5	4,619
1983							
January	121.7	39.2	72.0	71.9	2.4	130.9	4,440
February	123.8	39.6	72.4	72.7	2.5	141.7	4,558
March	124.8	39.5	75.5	73.9	2.7	116.9	4,644
April	129.2	40.2	78.7	70.1	2.9	160.1	4,579
May	130.0	39.8	85.3	68.1	2.8	167.1	4,675
June	131.5	40.0	85.6	65.5	2.9	208.4	4,478
July	132.4	40.1	91.7	60.2	3.0	157.3	4,360
August	133.5	40.1	93.5	61.4	3.1	174.6	4,692
September	133.8	40.0	94.5	59.3	3.1	158.9	4,574
October	135.0	40.3	99.9	58.2	3.2	145.8	4,554
November	135.7	40.3	101.9	57.8	3.1	186.3	4,841
December	137.3	40.3	105.0	54.6	3.2	215.5	4,713
1984							
January	140.4[r/]	40.3	112.5	49.5	3.3	235.8[r/]	5,283
February	140.1[r/]	40.4	117.4	52.8	3.3	250.9[r/]	5,617
March	140.1	40.4	110.0	49.1	3.3	244.7	5,197
April	142.8	41.0	125.2	52.3	3.4	230.0	5,462
May	139.7	40.2	117.2	52.5	3.3	215.0	5,441
June	138.5	40.3	117.2	56.5	3.4	206.8	4,954
July		40.3	130.0	53.4	3.4		4,559

[r/] Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Coincident Indicators						Other Indicators
Year and Month	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)	Taxable Sales (mil dol.)	Manufacturing Employment (thousands)
1981							
January	9,956.7		7.3	353			2,019.6
February	9,953.8	49,060 I/	7.3	371	278,922 I/	37,723	2,018.6
March	9,958.2		7.1	366			2,016.1
April	10,005.0		7.1	356			2,024.2
May	10,022.1	51,807 I/	6.6	344	287,721 I/	39,014	2,031.0
June	10,037.1		6.9	347			2,032.5
July	10,029.4		7.3	356			2,035.6
August	10,025.4	52,737 I/	6.9	365	300,325 I/	39,464	2,030.5
September	10,008.4		7.6	381			2,024.5
October	10,008.3		8.2	383			2,021.1
November	9,965.8	54,052 I/	8.0	407	305,795 I/	38,858	2,005.9
December	9,954.8		8.7	448			2,005.8
1982							
January	9,927.3		8.7	427			1,991.5
February	9,923.5	53,629 I/	8.8	445	305,460 I/	38,538	1,985.8
March	9,900.0		9.3	464			1,980.9
April	9,860.4		9.3	503			1,970.9
May	9,852.8	53,676 I/	9.5	509	310,246 I/	38,309	1,961.1
June	9,836.9		9.5	532			1,952.4
July	9,799.8		10.5	520			1,942.7
August	9,773.3	53,277 I/	10.2	540	313,398 I/	38,354	1,930.4
September	9,772.4		10.3	552			1,924.3
October	9,752.2		10.8	567			1,909.4
November	9,750.2	53,342 I/	11.1	576	317,323 I/	39,293	1,901.7
December	9,744.0		11.1	569			1,897.0
1983							
January	9,798.2		11.0	526			1,902.1
February	9,797.0	53,824 I/	11.0	537	321,331 I/	39,269	1,906.8
March	9,816.3		10.6	539			1,908.4
April	9,854.8		9.8	517			1,913.9
May	9,884.6	55,174 I/	10.4	511	330,190 I/	41,515	1,920.8
June	9,940.5		10.2	491			1,932.5
July	10,056.5		9.3	428			1,948.0
August	10,067.4	57,427 I/	9.6	441	340,516 I/	43,357	1,959.6
September	10,165.6		9.0	398			1,969.5
October	10,186.1		8.5	400			1,963.3
November	10,238.7	57,812 I/	8.4	406	342,928 I/	44,943	1,981.4
December	10,279.7		8.1	371			1,994.5 I/
1984							
January	10,403.0 I/		8.4	371			2,020.3 I/
February	10,461.8 I/	61,863 I/	8.0	348	361,288 I/	46,934	2,034.4 I/
March	10,545.7 I/		8.2	324			2,042.1 I/
April	10,579.5 I/		7.7	324			2,051.1 I/
May	10,605.2 I/	63,704	7.7	342 I/	370,481	48,455	2,049.9 I/
June	10,640.1 I/		7.5	322			2,055.7 I/
July	10,680.7		8.2	347			2,055.3
August	10,700.7		7.6				2,051.6

I/ Revised

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

	Other Indicators						
		Consumer Price Index (1967=100)c/					
		San Francisco		Los Angeles			
Year and Month	DOD Prime Contracts (mil dol.)b/	Wage Earner and Clerical Worker	All Urban	Wage Earner and Clerical Worker	All Urban	Net New S&L Savingsc/ (mil dol.)	Electricity Production (mil KWH)
1981							
January		--	--	262.7	259.4	-241	9,831
February	4,105 r/	261.6	260.5	265.0	261.6	-2	11,005
March		--	--	266.5	263.3	-753	9,485
April		270.9	270.3	269.1	265.5	-830	11,847
May	4,051 r/	--	--	270.7	267.3	-44	11,240
June		274.3	274.0	271.7	267.9	-1,539	12,469
July		--	--	276.3	272.2	-1,020	10,626
August	4,979 r/	287.2	287.9	278.6	274.8	-1,016	9,423
September		--	--	282.9	279.3	-541	11,165
October		295.6	297.0	284.9	281.3	667	11,168
November	4,078 r/	--	--	285.3	281.6	-385	10,850
December		292.7	294.0	285.9	282.1	-110	10,717
1982							
January		--	--	289.6	285.6	366	10,728
February	7,080 r/	294.9	295.8	289.2	285.4	333	10,201
March		--	--	290.2	286.4	-181	9,939
April		297.8	298.8	290.3	286.6	-1,085	10,218
May	6,020 r/	--	--	290.6	287.1	-47	10,063
June		303.4	304.6	293.9	290.1	-1,140	9,950
July		--	--	293.0	289.3	-143	10,093
August	5,683 r/	302.8	304.3	292.8	289.1	-412	9,712
September		--	--	291.7	288.2	78	9,365
October		301.3	302.4	292.8	289.5	-615	9,362
November	6,326 r/	--	--	291.6	288.5	779	9,338
December		293.6	293.9	288.0	285.3	3,492	9,486
1983							
January		--	--	288.0	285.6	5,802	9,660
February	6,173 r/	293.9	297.3	290.1	286.8	2,757	9,964
March		--	--	289.6	287.1	1,992	10,112
April		294.7	299.3	290.2	289.5	2,301	9,663
May	6,740	--	--	292.1	292.0	2,381	9,883
June		298.6	303.0	292.1	293.6	1,043	9,835
July		--	--	293.2	294.5	2,066	9,820
August	7,157	301.6	306.0	293.7	295.2	3,207	9,699
September		--	--	296.7	296.4	3,476	10,079
October		301.4	305.7	299.0	297.0	1,679	8,956
November	6,462	--	--	297.8	296.5	273	9,107
December		306.1	307.3	299.9	297.7	2,224	9,241
1984							
January		--	--	297.9	299.1	3,518	9,275
February	8,930	308.7	311.7	299.0	300.2	1,752	8,909
March		--	--	297.9	300.7	3,171 r/	8,770
April		311.1 r/	316.4 r/	298.9	302.8	3,241	9,579
May		--	--	303.1	305.4 r/	5,462 r/	11,232
June		315.1	318.7	303.4	305.6	3,322	10,569
July		--	--	300.3	305.9	3,236	11,416
August		322.7	323.4	305.1	308.6		

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a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised.

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.* Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

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* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent. Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes: October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows: Jannuary 21.....9 3/4 percent January 31......9 percent February 6......8 3/4 percent February 19.....8 1/2 percent March 3.........8 1/4 percent March 8.........8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.......7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31......7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4......6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

	1978--Continued
May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

	1978--Continued
October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

	1979
January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 17	Three percent discount rate surcharge imposed.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 8	Discount rate surcharge reimposed.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.

1980--Continued

July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent and surcharge imposed.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.

1981--(Continued)

June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.

1981--(Continued)

December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

1982--Continued

July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.
July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rose 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent. Prime rate lowered to 13.5 percent.
September 19	National Football League players strike began.
	Railroad strike involving locomotive engineers began.
September 23	Railroad strike ends.
September 24	FHA mortgage loan rate lowered from 14 percent to 13.5 percent.
October 7	Prime rate lowered to 13 percent.
October 12	Discount rate lowered from 10 percent to 9-1/2 percent.
October 15	Prime rate lowered to 12 percent.
November 1	General Motors reduces auto financing interest rate from 18.0 percent to 10.9 percent.
November 22	Discount rate cut from 9-1/2 percent to 9 percent.
November 23	Prime rate lowered from 12 percent to 11-1/2 percent.

1982 (Continued)

December 13	Discount rate cut to 8-1/2 percent.
December 14	Introduction of money market deposit accounts by banks and S&Ls.

1983

January 5	Super NOW accounts introducted.
January 11	Prime rate lowered to 11 percent.
January 31	Independent truckers strike begins.
February 10	Independent truckers strike end.
February 15	Toyota/GM agreement to build a small car in late 1984.
February 25	Prime rate lowered to 10-1/2 percent.
March 14	OPEC sets $29 per barrel benchmark price and production quota of 17.5 million barrels.
May 2	A 6.5 magnitude earthquake strikes the town of Coalinga.
June 8	The maximum rate on government-backed mortgages was raised from 11-1/2 percent to 12 percent.
June 18	Paul Volcker reappointed as Federal Reserve Board Chairman.
June 24	The Federal Budget deficit totalled a record $29.29 billion in May.
July 7	The maximum rate on government-backed mortgages was raised from 12 percent to 12-1/2 percent.
July 13	Chrysler Corporation announced it will repay the remaining $800 million in federally guaranteed loans by September, seven years before they are due.
July 25	The Washington Public Power Supply System defaulted on $2.25 billion in bonds, creating the largest municipal default in U.S. history.

1983 (Continued)

August 1	California's $1.2 billion offering of revenue-anticipation notes, the State's largest note issue, drew strong investor interest. Notes totalling $700 million, maturing next April and June, were oversubscribed.
August 2	The maximum rate on government backed mortgages rose from 12-1/2 percent to 13-1/2 percent.
August 7	The Communications Workers of America and two other unions strike AT&T.
August 8	Prime rate raised from 10-1/2 percent to 11 percent by most major banks.
August 23	The maximum rate on government backed mortgages fell from 13-1/2 percent to 13 percent.
August 28	AT&T strike ends.
September 1	Soviet Union shoots down Korean Airlines Flight 007, New York to Seoul, near the Soviet Island of Salhalin, just north of Japan.
November 1	Maximum rate on VA & FHA mortgages lowered from 13 percent to 12.5 percent.
November 3	Strike against Greyhound Lines Inc. begins.
December 1	FHA mortgage interest rates begin to float. VA rates are still pegged.
December 21	Greyhound strike ends.

1984

January 3	Breakup of AT&T becomes effective.
February 2	Contemporaneous reserve accounting is required by Fed for all but the very small deposit-taking institutions.
March 19	Prime rate raised from 11 percent to 11-1/2 percent.
March 20	Maximum rate on VA loans raised from 12-1/2 to 13 percent.

1984 (Continued)

April 4	Prime rate raised from 11-1/2 percent to 12 percent.
April 9	Discount rate raised from 8-1/2 percent to 9 percent; the first change in 3 years.
May 5	Prime rate raised from 12 percent to 12-1/2 percent.
June 26	Prime rate raised from 12-1/2 percent to 13 percent.
September 15	UAW-General Motors strike.

SOURCES OF STATISTICAL SERIES

Employment Development Department Employment Data and Research	Civilian Employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker hours
Department of Industrial Relations Division of Labor Statistics and Research	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
U.S. Department of Energy	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans